



# ***Daily Report***

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## **China**

FBIS-CHI-93-097  
Friday  
21 May 1993

# Daily Report

## China

FBIS-CHI-93-097

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21 May 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Spokesman: Li Peng 'Still Resting,' 'Recovering'

HK2105041293 Beijing CHINA DAILY in English  
21 May 93 p 1

[By staff reporter Chang Hong: "China Is Sincere in Hong Kong Talks"]

[Text] China is sincere about the third round of talks with Britain over the question of Hong Kong, which starts today in Beijing, says a Chinese Foreign Ministry spokesman.

Wu Jianmin said yesterday in Beijing that as long as both sides abide by the Sino-British Joint Declaration, the principle of convergence with the Basic Law and the relevant understandings and agreements already reached between China and Britain, the talks will produce positive results.

The third round covers the 1994-95 electoral arrangement in the territory, a key issue in Hong Kong Governor Chris Patten's "political reform" package, which triggered the Sino-British row.

On the Taiwan question, Wu criticized the island's attempt to rejoin the United Nations.

He said the UN was an international organization only for sovereign states.

As a province of China, Taiwan has no qualifications for UN membership.

"Its seeking to re-enter the UN is in essence an attempt to create two Chinas or 'one Taiwan, one China'," Wu said.

This ran counter to today's trends and violated the fundamental interests of the whole Chinese people.

On the French sale of Mirage jet fighters to Taiwan and its impact on Sino-French ties, Wu said China's opposition to arms sales to Taiwan remained unchanged.

He hoped the new French Government would take measures so that bilateral ties with China could be established.

Wu denied reports that China and the Democratic People's Republic of Korea had held secret talks this month over DPRK's withdrawing from the Nuclear Non-proliferation Treaty.

He reiterated China's stand for a resolution based on dialogue and its opposition against sanctions on the issue.

Responding to another question, Wu said Chinese Premier Li Peng was still resting but that he was now recovering.

## North America Beam on Li Peng

OW2105091093 Beijing China Radio International in English to Western North America 0400 GMT  
21 May 93

[From the "Current Affairs" program]

[Text] Referring to questions about the health of Li Peng, Wu Jianmin, spokesman for the Ministry of Foreign Affairs, said [at a weekly news briefing on 20 May] that the prime minister is still recovering, and that he is resting as his doctor has advised.

## UN Envoy Urges Cambodians To Abide by Accords

OW2105054993 Beijing XINHUA in English  
0536 GMT 21 May 93

[Text] United Nations, May 20 (XINHUA)—On the eve of the Cambodian elections to be held on May 23-28, China has urged the Cambodian parties to abide by the Paris agreements to ensure an independent and neutral state.

At today's Security Council meeting, Li Zhaoxing, Chinese permanent representative to the UN, said the comprehensive implementation of the Paris agreements constitutes the foundation of ensuring a comprehensive political solution to the Cambodian question.

Therefore, China is opposed to any actions that run counter to the agreements, which were signed by the four Cambodian factions in Paris in October 1991 to end 13 years of war in the country.

The UN Security Council passed a resolution today urging the Cambodian parties to ensure fair and neutral elections to choose a freely elected government in the country.

Expressing his country's great concern over the repeated acts of violence and intimidation in Cambodia, Li said China condemns all violent acts, especially those against UNTAC personnel.

"China neither wishes to see the rekindled flames of war in Cambodia, nor supports any party in resorting to force. What we stand for is the realization of genuine national reconciliation embracing all the Cambodian parties so that Cambodia will embark on the road of building up an independent, sovereign, unified, peaceful and neutral state at an early time," Li stressed.

The Chinese ambassador also noted that peace in Cambodia can be achieved only through the efforts of the Cambodian people themselves. Prince Sihanouk, as the widely-recognized leader of the Cambodian people, will play an important role in realizing peace and national reconciliation in Cambodia, he added.

### Chen Xitong Hosts Olympic Committee Official

SK2005072593 Beijing BEIJING RIBAO in Chinese  
7 May 93 p 1

[By reporter Sun Baosheng (1327 0202 3932): "The Olympic Spirit Coincides With China's Pursuit of Prosperity"]

[Text] This evening, Chen Xitong, chairman of the Beijing 2000 Olympic Games Bid Committee, met with and feted Aosiwaerde [1159 2448 3907 1422 1795], member of the International Olympic Committee [IOC] and chairman of the International Yacht Racing Federation, and his wife at Xinjinjiang Hotel in Shanghai. Liu Zhenyuan, vice mayor of Shanghai Municipality and vice chairman of the first East Asian Games Organizing Committee, and Wei Jizhong, secretary general of the Beijing 2000 Olympic Games Bid Committee, accompanied them.

When Aosiwaerde and his wife entered Bande, a Western-style restaurant, Chen Xitong stepped forward to warmly greet and shake hands with them and to extend regards to them. After taking their seats, Aosiwaerde who had just arrived in Shanghai from a tour of Guilin, said that while traveling in China he had strongly felt the Chinese people's understanding of the Olympic spirit and their support for Beijing's bid to host the Olympic Games. He said: Although Guilin is far away from Beijing, the citizens of Guilin believe that Beijing's bid for hosting the Olympic Games has a direct bearing on them. This is true of all the Chinese people, as they support Beijing's bid for hosting the Olympic Games.

Chen Xitong said: The Olympic spirit coincides with the Chinese people's pursuit of prosperity. If we are successful in winning the bid for hosting the Olympic Games in 2000, the Olympic torch relay activity organized by the masses will be much bigger in scale than that for the Asian Games held in Beijing. By that time, 20 million people will participate. Chen Xitong said: If China is chosen to host the Olympic Games in 2000, the international Olympic Games will enter a new stage of development. China is a large country whose population will reach 1.25 billion by the end of this century. Our country will continue to uphold the principle of reform and opening up and strengthen contacts with all countries of the world in the course of development. We cherish peace; therefore, we will strive to maintain peace. Peace, friendship, and progress are an integral part of the Olympic purpose, and this coincides with the Chinese people's pursuit of prosperity. If the Olympic Games are held in China, it will not only promote China's development but also the development of all countries throughout the world.

Aosiwaerde agreed with Chen Xitong's views entirely. He believed that China's economic development was quite rapid and that he noticed differences each time he came to China. He said that he has seen China develop and change with his own eyes. He continued: "I truly feel this way from the bottom of my heart. I am a good friend of the Chinese people."

Chen Xitong thanked Aosiwaerde for holding this view and offered a toast, wishing him a happy life in China. Aosiwaerde and his wife were visiting Shanghai to observe and provide guidance to the first East Asian Games.

### Italian Premier, Kozyrev Promote Bosnian Plan

OW2005054893 Beijing XINHUA in English  
0352 GMT 20 May 93

[Text] Rome, May 19 (XINHUA)—Italian Prime Minister Carlo Ciampi and visiting Russian Foreign Minister Andrey Kozyrev today urged the United Nations to implement an international peace plan for the war-torn Bosnia and Herzegovina.

In a bulletin issued after the two officials held talks on the Bosnian situation and other questions, the Italian prime minister's office said Kozyrev briefed Ciampi on the outcome of his recent contacts with the warring parties in Bosnia and Herzegovina.

Ciampi and Kozyrev agreed that the United Nations should start carrying out the peace plan worked out by international mediators Cyrus Vance and David Owen. Under the plan, which has been accepted by the Croats and Muslims but rejected by the Serbs, Bosnia would be divided into 10 semi-autonomous regions.

Ciampi and Kozyrev also stressed the necessity to exert international pressure on the warring parties in order to achieve a peaceful settlement through the strict implementation of relevant UN resolutions, the bulletin said.

Kozyrev, in his talks with other Italian officials, also expressed his country's readiness to send peace-keepers to monitor the border areas between Serbia and Bosnia and Herzegovina.

### U.S. Secretary Hosts Kozyrev, Discusses Bosnia

OW2105061093 Beijing XINHUA in English  
0546 GMT 21 May 93

[Text] Washington, May 20 (XINHUA)—Russian Foreign Minister Andrey Kozyrev said here today that he and U.S. Secretary of State Warren Christopher have agreed on "basic political principles" in seeking ways to end bloodshed in Bosnia-Herzegovina.

At the end of two sessions of talks at the State Department, Christopher said "We are drawing closer on a number of elements."

Although both officials refused to elaborate on details of their discussions, the ASSOCIATED PRESS quoted unidentified administration officials as saying that measures under consideration included stationing monitors along the borders between the Serb Republic and areas controlled by the Bosnian Serbs and establishing safe havens to protect civilians.

French Foreign Minister Alain Juppe reportedly joined their talks over the telephone in the second session.

Juppe, who originally planned to visit the United States on Monday, will arrive here Saturday, the ASSOCIATED PRESS said.

In a television interview today, the French minister called the Vance-Owen plan "the only way of getting a new course underway."

However, describing the Vance-Owen plan only as "something to be built on in the future," Christopher said Washington would not support its forced implementation because one of the Bosnian warring factions, the Serbs, overwhelmingly voted to reject it.

The State Department meeting was part of a new round of Bosnian negotiations that followed the overwhelming rejection by Bosnian Serbs of the peace plan put forward by international mediators Lord David Owen and Cyrus Vance.

British Foreign Secretary Douglas Hurd is scheduled to come to Washington on Friday.

A UN ministerial meeting scheduled for tomorrow on implementing the Vance-Owen plan was postponed due to opposition from Washington and some other Security Council members.

The other two participants in the conflict, the Croats and Muslims, had agreed already signed onto the plan, [as received] which includes constitutional principles, a cease-fire agreement and a division of the former Yugoslav Republic into 10 semi-autonomous regions mainly along ethnic lines. This would leave the Bosnian Serbs, who now control some 70 percent of Bosnia, with only about 40 percent of the territory.

Christopher, testifying before a hearing on foreign aid of the House Foreign Relations Committee on Tuesday, said enforcing the Vance-Owen plan would require "overwhelming force," which could eventually involve American ground troops, a step, he said that could mire the United States "in the quagmire of Bosnia."

The United States has called "the soundest approach" a lifting of the United Nations arms embargo against the Bosnian Muslims and air strikes against Bosnian Serb military installations. This, however, is opposed by Russia and most of Washington's allies.

President Bill Clinton, in an interview with MTV News, said again that Washington would not act alone.

"Everything the United States does in Bosnia, which is in the heart of Europe, must be done not on our own but through the United Nations or through NATO," Clinton said.

The United States has stated it supports the idea of stationing a monitoring force along the border between the Bosnian Serb-controlled lands with the Republic of Serbia. However, Washington has so far been reluctant to say if it would contribute troops to the monitoring force.

The Serbian Republic's president, Slobodan Milosevic, has already promised to cut off all supplies except food and medicine to the Bosnian Serbs.

The participation of U.S. troops has been key to most discussions of the Bosnia crisis. France strongly opposes arming the Bosnian Muslims and bombing Bosnian Serb military positions, and its defense minister, Francois Leotard, said today that Washington might view these two options differently if it had ground troops in Bosnia.

In an interview with the LIBERATION newspaper, Leotard said France is preparing a position paper on options in Bosnia and "would appreciate it if others made the same gesture before proposing options which we know in advance would have consequences for troops on the ground."

With some 5,000 soldiers in former Yugoslavia, France is the largest contributor to peacekeeping forces there. Other contributors include Britain, Canada and Spain.

#### **U.S., Kyrgyzstan Sign Pact During Akayev Visit**

OW2005024693 Beijing XINHUA in English  
0226 GMT 20 May 93

[Text] Washington, May 19 (XINHUA)—The United States and Kyrgyzstan today signed a cooperation treaty, paving the way for the flow of Western assistance to the former Soviet republic.

The World Bank and the International Monetary Fund have worked out a 100 million U.S. dollar aid package to Kyrgyzstan, pending endorsement by Washington.

The treaty also stipulates protection of U.S. assistance to Kyrgyzstan and preferential treatment of U.S. personnel and property involved in the aid programs, such as tax and customs exemptions.

The treaty was signed during a visit by Kyrgyz President Askar Akayev to Washington, who met today with U.S. Secretary of State Warren Christopher.

Washington has already signed similar pacts with Armenia, Georgia, Kazakhstan, Russia and Ukraine.

#### **U.S., UK Plan Effort To 'Revive' GATT**

OW2005141493 Beijing XINHUA in English  
1253 GMT 20 May 93

[Text] London, May 20 (XINHUA)—Britain and the United States will seek a world trade deal at the Tokyo economic summit in early July to bolster the flagging economies of the West, according to British newspaper THE GUARDIAN today.

The newspaper said the main obstacles to a General Agreement of Tariffs and Trade (GATT) agreement are France's resistance to a farm subsidies agreement and Japan's reluctance to open its market to foreign-grown rice.



France's right-wing government has made it clear it does not accept the so-called Blair House accord. The accord, which otherwise would settle the row over agriculture, was signed by the U.S. and the European Community in Washington in November.

French Farm Minister Jean Puech said in Paris on Wednesday [19 May], "The draft agreement is unacceptable in its present state and slight changes will not be enough to make France accept it."

"Agriculture by no means will be a bargaining chip in these talks," he stressed.

However, London and Washington are confident they can convince France to give up its belligerent position given the weak state of the French economy.

Trade officials and finance ministers are expected to discuss the problems from France and Japan at the annual meeting of the 24-nation organization for economic cooperation and development in Paris early next month.

If an agreement on farm subsidies can be worked out at the meeting, it is felt U.S. President Bill Clinton will be able to use America's clout in Tokyo to get the Japanese to open their rice market.

Western countries are more anxious than ever to revive the stalled Uruguay Round of GATT talks which foundered on the subject of farm support. The talks first began in 1986.

It is estimated that if a GATT deal can be reached, it could mean up to an extra 160.6 billion U.S. dollars a year in world trade.

#### **Angolans Hail U.S. Recognition of Government**

*OW2005235493 Beijing XINHUA in English  
2335 GMT 20 May 93*

[Text] Luanda, May 20 (XINHUA)—U.S. Wednesday [19 May] recognition of the Angolan Government, the first time since the ruling People's Liberation Movement of Angola came to power 17 years ago, has drawn positive reactions from most political parties in the southern Africa country.

In a communique issued here today, the Social Democratic Party said the Angolan people are satisfied with the recognition and hope more harsh measures be taken by the United States toward UNITA rebel movement if it clings to war any longer.

Lucas Ngonda, spokesman of the National Liberation Front of Angola, said the recognition will encourage the government, UNITA and other political groups to seek a peaceful solution to the Angolan conflict.

Joao Chwaco, secretary of political affairs of the Democratic Forum of Angola, termed the recognition "laudable," adding the Clinton administration is expected to take measures to ensure no further military assistance goes to UNITA from the United States.

The Social Liberal Party said in a communique the U.S. recognition helps "terminate the armed conflict (in Angola) and enhance the friendship between the peoples of the two countries." It called on the United States to provide food and medicine for the Angolan people rather than military assistance for warlike elements.

Secretary of information of the ruling People's Liberation Movement of Angola, Joao Lourenco, said the U.S. recognition is very "sensible," which is a signal of U.S. denouncement of UNITA's bellicosity.

Lourenco said the U.S. recognition will not only speed up the Angolan peace process but also contribute to the economic stability and reconstruction in the country. He hopes U.S. businessmen will pour investment into Angola.

Secretary of Information of UNITA (the National Union for the Total Independence of Angola), said in Abidjan, capital of Cote d'Ivoire, on Wednesday that the U.S. recognition will not help settle the Angolan conflict since it is to make the government less compromising in the current Abidjan peace negotiations.

#### **UK Paper: U.S. Expected To Resume Nuclear Tests**

*OW1805025993 Beijing XINHUA in English  
0248 GMT 18 May 93*

[Text] London, May 18 (XINHUA)—U.S. President Bill Clinton is expected to order a resumption of nuclear weapons testing when the current American moratorium expires at the end of next month, British newspaper "THE GUARDIAN" reported today.

The paper said in its early edition today that it is most likely that President Clinton will bow to intense pressure from Britain and the U.S. military.

The British Government, determined to maintain Britain's independent nuclear deterrent, has lobbied hard for a resumption of underground tests at the Nevada site in the United States, it added.

According to the paper, Britain argued that testing is vital to assure the safety and reliability of existing or unfinished weapons systems, notwithstanding the end of the cold war and efforts to persuade former Soviet republics to disarm.

The paper quoted sources from the U.S. congressional research service as saying President Clinton must formally deliver a report to the congress today on the reasons for and the cost of resumed testing.

Many congressmen oppose ending the moratorium, which expires on July 1.

If the United States is to resume nuclear weapons testing, many nuclear countries will follow suit, the paper said.

## United States & Canada

### Jiang Zemin Interviewed by CNN Bureau Chief

OW2105035993 Beijing XINHUA in English  
0338 GMT 21 May 93

[Text] Beijing, May 21 (XINHUA)—Chinese President Jiang Zemin was interviewed here this morning by bureau chief Mike Chinoy of the the American Cable News International, Inc.

Jiang, also general secretary of the Chinese Communist Party, answered Chinoy's questions on Sino-U.S. relations, the regional situation and domestic issues of China.

### U.S. Law Firm Opens Consultancy Agency

OW2105022493 Beijing XINHUA in English  
0047 GMT 21 May 93

[Text] Beijing, May 21 (XINHUA)—The U.S. law firm Graham and James has officially established a consultancy agency in Beijing, with the approval of China's justice, industrial and commercial departments.

The firm has been engaged in promoting trade relations between China and the United States for the past decade. It has offered legal consultation services for scores of Chinese companies in the United States and other countries.

In particular, the firm has successfully handled antidumping lawsuits in the United States on behalf of a dozen Chinese companies.

It has also helped realize nearly 100 foreign investment projects in China, and it has a score of lawyers who can speak Chinese.

There are now nearly 20 agencies of foreign law companies in China.

## Central Eurasia

### Li Ruihuan Receives Uzbek Party Delegation

OW1705125593 Beijing XINHUA in English  
1153 GMT 17 May 93

[Text] Beijing, May 17 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Communist Party of China (CPC) Central Committee, met here today with a delegation from the Popular Democratic Party of Uzbekistan, which is led by First Secretary Rasulov Makhmud Muminovich of its Central Committee.

Li, referring to Uzbekistan as "a close neighbor of China," noted that the two peoples share long-standing contacts and further expansion of such friendly ties is in the interests of both countries.

"We are ready to work towards further enhancement of cooperation in various fields between the two countries," a Chinese official quoted Li as saying.

Rasulov voiced the hope that the group's visit will be conducive to the development of bilateral friendly relations, according to the Chinese official.

In the 45-minute meeting Li, also chairman of the National Committee of the Chinese People's Political Consultative Conference, gave an account of the latest development in China's reform and opening.

### Kyrgyzstan Supreme Soviet Chairman To Visit

OW2105090993 Beijing XINHUA in English  
0838 GMT 21 May 93

[Text] Beijing, May 21 (XINHUA)—Medetkan Sherimkulov, chairman of the Supreme Soviet of the Republic of Kyrgyzstan, will head a delegation to pay a goodwill visit to China from May 24 to 30.

According to a spokesman of the Chinese foreign affairs, the delegation is invited by the Standing Committee of the Chinese National People's Congress (NPC).

### Yeltsin Urges 'Strong Measures' To Fight Crime

OW2005045393 Beijing XINHUA in English  
0349 GMT 20 May 93

[Text] Moscow, May 19 (XINHUA)—Russian President Boris Yeltsin today urged the country's security departments to take strong measures and crack down on various crimes nationwide.

At a conference of the Joint Commission Against Crime today, the country's top security officials agreed that organized crime and corruption were rampant in Russia, endangering the country's stability.

According to official statistics, the country had 2.76 million criminal cases in 1992, an increase of 27 percent over 1991.

Unchecked arms trafficking, the soaring number of drug addicts and drug trafficking have caused the country's security situation to deteriorate, the officials agreed.

Yeltsin, in his speech at the conference, said the Interior Ministry and other security departments should take more severe measures to fight against organized crime and corruption.

In February 1991, the Russian Government established the Joint Commission Against Crime, which was headed by Vice President Aleksandr Rutskoy.

Last April, Yeltsin removed Rutskoy from the chairmanship of the commission and put the commission under his direct control.

Interior Minister Viktor Yerin, Security Minister Viktor Baranikov and Procurator-General Valentin Stepankov attended today's meeting.

**Yeltsin Orders New Assembly for Constitution***OW2105102693 Beijing XINHUA in English  
1011 GMT 21 May 93*

[Text] Moscow, May 21 (XINHUA)—Russian President Boris Yeltsin has ordered today the convening of a constituent assembly on June 5 to finalize a new constitution.

Yeltsin published his proposed draft constitution on April 29.

Under the present Constitution, a new constitution should be drafted by the Constitutional Committee led by the president, and be discussed and approved by the Supreme Soviet and the Congress of People's Deputies. The Supreme Soviet is the standing organization of the Congress of People's Deputies, the parliament.

A draft new constitution had been passed in principle by the congress in April of last year. But Yeltsin negated the draft later. He also disqualified the Supreme Soviet and the Congress of People's Deputies for approving a new constitution, contending that they had lost their legality following the April-25 referendum. Their function of formulating a new constitution will be performed by the constituent assembly to be convened on June 5.

**Northeast Asia****ROK Proposes Inter-Korean Nuclear Talks***OW2005142193 Beijing XINHUA in English  
1058 GMT 20 May 93*

[Text] Seoul, May 20 (XINHUA)—South Korea Thursday [20 May] proposed to the Democratic People's Republic of Korea (DPRK) that inter-Korean dialogue be resumed to resolve the nuclear problem.

The proposal, contained in a letter to the DPRK's Prime Minister Kang Song-san, calls for a meeting between the two Koreas on May 27 to discuss the nuclear issue and other topics.

Song Yong-tae, deputy unification minister, and Yi Sung-kon, Seoul-side chairman of the inter-Korean Joint Nuclear Control Commission (JNCC), will lead the South Korean delegation for the talks.

The DPRK announced on March 12 that it was quitting the Nuclear Non-proliferation Treaty (NPT) rather than opening two military sites to inspection by the International Atomic Energy Agency (IAEA). The departure takes effect on June 12 after a three-month grace period.

The move heightened suspicion in South Korea and among its allies that the DPRK has either succeeded in building nuclear weapons or is on the verge of doing so, a charge Pyongyang has denied.

The United Nations Security Council adopted a resolution on May 11, calling on the DPRK to allow outside inspections of its nuclear facilities and reconsider its decision to withdraw from the NPT.

Seoul's proposal to resume the inter-Korean dialogue is in line with the U.N. Security Council's resolution urging all member states to persuade the DPRK to return to the NPT and accept the IAEA's special inspection, a South Korean official said.

High-level dialogue between the prime ministers of the two Koreas was held eight times but broke off last September amid growing suspicion over the DPRK's nuclear program.

South Korean officials said they did not rule out the possibility of Pyongyang attaching conditions to the inter-Korean dialogue, such as demanding that non-governmental and dissident representatives be present at the talks.

**Southeast Asia & Pacific****Qian Qichen Receives Lao Foreign Minister***OW2105104693 Beijing XINHUA in English  
1026 GMT 21 May 93*

[Text] Beijing, May 21 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that friendly cooperative relations between China and Laos have entered a new phase of development.

Qian said he believed that Sino-Laotian ties could be upgraded to a new level with joint efforts on both sides.

Qian made the statements in talks with Somsavat Lengsavat, foreign minister of the People's Democratic Republic of Laos, and his party here this morning.

China and Laos are friendly neighbors linked by mountains and rivers, Qian said, and added that these good neighborly relations have witnessed an overall restoration and development in recent years.

Exchanges and cooperation in the fields of politics, economics and trade, the military, culture, education and public health have also recorded positive results, he said.

Qian noted that the settlement of border issues in a relatively short period of time by the two governments embodies fully the common aspirations of the two governments and the two peoples to turn the Sino-Laotian border into one of eternal peace.

"We are satisfied with the development of the Sino-Laotian relations," Qian said.

Somsavat expressed agreement with Qian's evaluation of bilateral relations, and said that the development of Lao-Chinese ties conforms with the fundamental interests of the two peoples. The Laotian official added that his government would try its best to maintain traditional bilateral ties and continue to promote friendly cooperation between the two countries.

Somsavat also spoke highly of the achievements wrought by China by carrying out the policy of reform and



opening, which he said has not only brought benefits to the Chinese people but has also contributed to regional peace, stability and prosperity.

The two sides also exchanged views on international issues of common concern.

After the talks, Qian and Somsavat exchanged instruments of ratification on the border agreement between the two governments and signed an exchange certificate.

Invited by Qian, Somsavat and his party arrived here on Thursday [20 May] after visiting the Chinese cities of Kunmin and Qingdao.

#### **Chi Haotian Departs Vietnam, Goes to Singapore**

*OW 2105083293 Beijing XINHUA in English  
0804 GMT 21 May 93*

[Text] Hanoi, May 21 (XINHUA)—Chinese State Councillor and Defense Minister Chi Haotian ended a goodwill visit to Vietnam today and left for Singapore.

The minister had arrived in Hanoi on May 13 and during his visit had talks with the secretary general of the Central Committee, Mo Muoi, President Le Duc Anh and Defense Minister Doan Khue.

#### **Talks With SRV Leaders Reported**

*OW 2105095193 Beijing XINHUA Domestic Service  
in Chinese 0849 GMT 21 May 93*

[By correspondent Hu Suojin (5170 6956 6930)]

[Text] Hanoi, 21 May (XINHUA)—General Chi Haotian, Chinese state councillor and minister of defense, successfully concluded his official and friendly visit to Vietnam and departed Ho Chi Minh City for Singapore this morning.

During his stay in Hanoi, Chi Haotian had talks with General Doan Khue, Vietnamese defense minister. Do Muoi, general secretary of the Central Committee of the Vietnam Communist Party, and President Le Duc Anh also had separate meetings with Chi Haotian.

When Chi Haotian and his party visited Central Vietnam as well as Hue, Da Nang, Ho Chi Minh City, and Vung Tau in southern Vietnam, they were accorded warm receptions by leaders of local governments and military districts.

Minister Chi Haotian arrived in Vietnam for visit on 13 May at the invitation of General Doan Khue.

#### **Delegates Initial Talks To Reopen Border Passes**

*HK2005144293 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1418 GMT 12 May 93*

[By Na Jiahua (4780 1367 7520)]

[Text] Kunming, 12 May (ZHONGGUO XINWEN SHE)—Important Chinese and Vietnamese ports, China's Hekou

and Vietnam's Lao Cai, whose operations have been interrupted for 14 years, will reopen 18 May.

A summary of the talks between the Chinese delegation from the Yunnan Port Administration and its Vietnamese counterpart from the Lao Cai Port Administration, initialed in Yunnan's Gujiu on 10 May, states that when the ports of Hekou and Lao Cai are reopened, people of the two sides, who hold diplomatic, official, or ordinary passports and are doing business, will be exempt from visa applications, according to the document signed by the governments of the two countries. Those people holding ordinary passports travelling for private business can cross the border with effective visas. With regards to people possessing passes for crossing the border, those from the Chinese side may go to Vietnamese counties and cities, such as Lao Cai, Ba Ha, Sa Pa, Muong Khuong, Bao Thang, Cam Duang, and Bac Ha; whereas those from the Vietnamese side can go to such counties as Hekou, Luchun, Jinping, Maguan, Malupo, and Funing in Chinese territory.

At the same time, the two sides will allow people of a third country holding effective passports and visas to cross the border from China's Hekou and Vietnam's Lao Cai. However, they are not allowed to cross the border from other provincial-level ports or entry points.

The Chinese side has proposed that people from Hong Kong, Macao, and Taiwan, who hold effective certificates, may also cross the border through Hekou and Lao Cai, and they have already informed the Vietnamese authorities about the approved effective certificates. The Vietnamese side stated that it would report the matter to the relevant departments before replying on the issue.

Hekou, which sits opposite Vietnam's Lao Cai and is separated from it by a river, has always been an important passage for Sino-Vietnamese trade; furthermore, it is accessible by rail, road, and waterways, and is very convenient because of this. Since early 1988, people in border areas have increased their volume of trade each day, a steady market is taking shape, and the border trade volume of imports and exports exceeded 100 million yuan last year. Some 120 border trade enterprises from all parts of China have officially settled here. Presently, the Chinese sector of the Yunnan-Vietnam Railway has already been put through comprehensively; the China-Vietnam Bridge has been repaired and transformed into one connecting railroads as well as highways; a project to transform and expand the Kunming-Hekou highway has been stepped up; Hekou County's infrastructure has been greatly improved; and frontier inspections, customs, commodities inspections, animal and vegetable examinations, and quarantine organizations have all been set up and have begun their work.

**Envoy Marks Death of Burmese Buddhist***OW2005141393 Beijing XINHUA in English  
1159 GMT 20 May 93*

[Text] Yangon [Rangoon], May 20 (XINHUA)—Chinese Ambassador to Myanmar [Burma] Liang Feng today presented a wreath to the remains of Chairman of Myanmar State Sangha Maha Nayaka Committee Bago Myoma Sayadaw Bhaddanta Indacara on behalf of the Chinese Buddhist Association.

A condolence message of the Chinese Buddhist Association was also handed over to the Myanmar State Sangha Maha Nayaka Committee.

Bago Myoma Sayadaw Bhaddanta Indacara passed away here on April 28 at the age of 97.

Since then, top leaders of the country, Buddhists of various circles as well as some foreign ambassadors here paid respects to the remains of Bago Myoma Sayadaw Bhaddanta Indacara.

According to an official report, the crematorial rites will be held on the Kaba Aye Hill under the auspices of the state on May 22.

Myanmar is a Buddhist country with about 90 percent of its population believing in Buddhism.

**Near East & South Asia****Israeli Foreign Minister Peres Continues Visit****Meets CPPCC's Wu Xueqian***OW2005142593 Beijing XINHUA in English  
1113 GMT 20 May 93*

[Text] Beijing, May 20 (XINHUA)—Wu Xueqian, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met with visiting Israeli Foreign Minister Shim'on Peres here this afternoon.

The two sides exchanged views on bilateral relations, economic cooperation and trade.

Before the meeting, Chinese Minister of Culture Liu Zhongde and Peres signed a Sino-Israeli cultural agreement on behalf of their respective governments.

**Honored by Beijing University***OW2105061893 Beijing XINHUA in English  
0559 GMT 21 May 93*

[Text] Beijing, May 21 (XINHUA)—Visiting Israeli Foreign Minister Shim'on Peres was conferred the honorary title of "Guest Professor" of Beijing University here this morning.

Addressing a ceremony, president of the university Wu Shuqing praised Peres for his contributions to the promotion of Sino-Israeli friendly relations.

On the occasion, the president also declared the founding of the university's international politics research center, and extended his thanks to Peres for his "substantial support" during the center's preparation period.

After the ceremony, Peres gave a speech on Israeli-Chinese relations as well as the international situation.

**Space Cooperation Discussed***TA2105064093 Jerusalem Qol Yisra'el in Hebrew  
0600 GMT 21 May 93*

[Text] The PRC is interested in cooperation with Israel in space and is proposing to launch the Israeli 'Amos satellite aboard a Chinese rocket. This emerged in Foreign Minister Shim'on Peres' talks in Beijing. Our correspondent Shiomo Raz reports that the Chinese voiced great interest in participating in the project and even arranged for Minister Peres to hold a second meeting with the minister of technology.

**PRC Hosts Pakistani Foreign Ministry's Zaki***BK2105030993 Islamabad Radio Pakistan Network  
in Urdu 0200 GMT 21 May 93*

[Text] Pakistan and China are holding discussions in Beijing on expanding bilateral cooperation in view of the changing world political and economic situations. The extremely close and friendly relations with China have always been the cornerstone of Pakistan's foreign policy. This was stated by Akram Zaki, the secretary general of foreign affairs, while addressing a reception in Beijing yesterday marking the 42d anniversary of the establishment of diplomatic ties between China and Pakistan. He said Sino-Pakistani relations are rapidly growing in various fields. The two countries are opposed to any country's attempt to establish hegemony at the regional and international level and are working to help establish a new international order based on justice.

Thanking China for its assistance to Pakistan in various fields, especially heavy industries, engineering, and defense, the secretary general stressed the need for broader cooperation between the two countries for their continued progress toward a better future.

Han Xu, the president of the Chinese People's Association for Friendship With Foreign Countries, said Pakistan was one of the first countries to recognize China and the relations between the two countries had been growing smoothly since then in spite of the changing regional and global scenarios.

**Missile Purchases Denied***HK2105093593 Hong Kong AFP in English 0918 GMT  
21 May 93*

[Text] Beijing, May 21 (AFP)—A senior Pakistani official denied Thursday [day as received] that Islamabad has received M-11 missiles from China, calling reports of such transfers speculative and "motivated."

"I categorically deny that Pakistan has taken M-11 missiles," Akram Zaki, secretary general of the country's Foreign Ministry, told reporters here.

"I can tell you Pakistan has not acquired them."

He declined to say if Pakistan was interested in acquiring M-11s or if his government considered the ballistic missiles to be controlled under the Missile Technology Control Regime (MTCR).

"Pakistan and China have a long-standing friendship and we have a relationship which also extends to the field of defense since 1963, but once China made commitments to honor the MTCR limit, China has strictly adhered to those commitments," Zaki said.

Press reports citing U.S. intelligence sources have said spy satellites spotted two dozen Chinese M-11 missiles being delivered to Pakistan.

"These are speculative stories and motivated allegations," said Zaki, a one-time Pakistani ambassador to China.

The M-11 surface-to-surface missiles are more accurate and mobile and fire more rapidly than the Scuds used by Iraq during the Gulf war, and China has denied selling them to Pakistan.

The two Asian countries have close relations, in part because of shared suspicions and tensions with India.

Zaki had harsh words for India during his address to the Foreign Correspondents Club here, accusing New Delhi of carrying out a "policy of suppression and a scorched-earth policy" in Kashmir against what he called "the spontaneous, indigenous freedom movement."

"There has been an ever-intensifying cycle of more suppression and more revolt and this has increased tensions in our area," he said, adding that India was refusing to settle the issue through negotiations.

The diplomat also denied reports that terrorists based in Pakistan could be behind the deadly bombings earlier this year in Bombay and at New York's World Trade Center.

Zaki is in Beijing to take part in annual consultations between the Pakistani and Chinese Foreign Ministries.

#### **Qian Qichen Meets Zaki**

OW2105102593 Beijing XINHUA in English  
0930 GMT 21 May 93

[Text] Beijing, May 21 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with Akram Zaki, secretary-general of the Pakistan Foreign Ministry, and his party here today.

Qian said relations between China and Pakistan have been satisfactory and have undergone constant development.

Cooperation between the two sides in international affairs is not only in the interest of the two countries, but significant to world peace and stability, the Chinese statesman said.

Zaki said his visit coincides with the 42nd anniversary of the establishment of diplomatic relations between the two countries and that, over the past 42 years, relations between the two countries have witnessed vigorous development. Zaki also said he hoped that Sino-Pakistani ties would be further expanded and deepened.

Zaki also expressed his wishes that China would record more achievements and exercise a wider-ranging role in international affairs.

On Thursday [20 May], Seypidin Aze, vice-chairman of the Chinese People's Political Consultative Conference, met with Zaki and his party. Both expressed the wish that the Sino-Pakistani ties would be promoted with joint efforts on both sides.

Zaki and his entourage arrived here on May 18.

#### **Arab League To Establish Office in Beijing**

OW2005213093 Beijing XINHUA in English  
1928 GMT 20 May 93

[By Yang Liqin]

[Text] Cairo, May 20 (XINHUA)—Ismat 'Abd al-Majid, secretary-general of the Arab League, is to start a visit to China on May 23 to inaugurate a representative office of the Cairo-based 21-member league in Beijing.

In an interview with XINHUA here today, 'Abd al-Majid said that the Arab League office to be established in the Chinese capital will constitute a link that binds China and the Arab World besides the existing ties between China and the Arab League.

"It will be an important visit for Arab-Chinese relations, and the principal objective of this visit is to inaugurate the Arab League office in Beijing," 'Abd al-Majid said.

He said that the representative office would be quite important, as the Arab League has never had an office in Beijing.

"We will be inaugurating this office for the first time, to emphasize the deep Chinese-Arab relations and the ties between the Arab and Chinese peoples," he added.

During 'Abd al-Majid's visit, a protocol of cooperation between the Arab League and the Chinese Government will be signed.

With the establishment of the representative office, an Arab League mission will be sent to China.

'Abd al-Majid said the Chinese Government's approval to open this office was prompted by China's interest to foster ties with the Arab League.

The Arab League office in Beijing will be the fifth of its kind in the capitals of the five permanent Security Council members. The other four are in Washington, Moscow, Paris and London. Besides, the Arab League has 15 more offices the world over.

In response to a question about the future of the Middle East peace process, the Arab League chief underlined the importance of supporting the process.

He said that upholding the peace process was a legitimate Arab demand and it should be pursued no matter what the difficulties.

"Our cause is a just one and we have to adhere to it and continue negotiating with the Israeli party," he said.

He expressed hope that the Israeli side will respond and put an end to its practices against the Palestinian people in the occupied territories.

He asserted that peace is as much in Israel's interest as it is in the interest of the region.

The Arab League chief also revealed that he will discuss with Chinese leaders the Middle East peace process and international developments as well as "all matter of mutual concern."

Since the Arab-Israeli peace process was started in Madrid, Spain in late October 1991, Israel and the four Arab parties—Syria, Lebanon, Jordan and the Palestinians—have finished nine rounds of bilateral talks without achieving any tangible progress.

### West Europe

#### **Qian Qichen Receives Portuguese Foreign Minister**

*OW2005134693 Beijing XINHUA in English 1246 GMT 20 May 93*

[Text] Beijing, May 20 (XINHUA)—Chinese and Portuguese foreign ministers today agreed that the two countries will strengthen cooperation during the second stage of Macao's transitional period to ensure a smooth transition of Macao.

Chinese Foreign Minister Qian Qichen and his Portuguese counterpart, Durao Barroso, had talks here this afternoon during which they discussed the Macao issue.

According to sources at the Chinese Foreign Ministry, Qian, also vice-premier, said that China and Macao have had "good and effective cooperation" in an effort to implement the joint declaration on the Macao issue signed by the two sides.

Qian added that the Macao Basic Law has been officially approved and promulgated at the First Annual Session of the Eighth National People's Congress, China's parliament, and that Macao has entered the second stage of its transitional period.

China will resume sovereignty over Macao in 1999.

Qian expressed the hope that China and Portugal would further strengthen discussions and cooperation so as to realize the smooth transition and transfer of power over Macao.

Barroso said that ensuring Macao's stability and development is the common goal of both Portugal and China. He said Portugal would strengthen cooperation with China to secure the smooth transition of Macao.

At the beginning of the talks, Qian extended a warm welcome to his guest. He said bilateral relations have grown well in recent years due to the common efforts of the two sides. He added that high level visits between the two countries have been increasing.

"We are satisfied with the good developments of cooperation between the two countries in political, economic, scientific and technological, cultural and other fields," Qian was quoted as saying.

Barroso said he was satisfied with the development of Sino-Portuguese relations. He said the increase in high level visits indicates that both sides are making efforts to enhance bilateral ties.

He noted that Portugal is to take positive measures to encourage the country's entrepreneurs to strengthen economic and trade cooperation with China.

He added that Portugal supports China in resuming its position in the General Agreement on Tariffs and Trade (GATT) as a signatory state.

During the two-hour talks, the two foreign ministers also exchanged views on concrete measures to further develop bilateral ties as well as on the situation in Asia and Europe and some regional issues.

Qian briefed Barroso on his recent four-nation tour in Europe, which included the Netherlands, Sweden, Italy and Germany.

Barroso said that it is important for European countries to have closer relations with China under the current international situation.

The talks was described as proceeding "in a cordial and friendly atmosphere."

Chinese Vice-Foreign Minister Jiang Enzhu and Portuguese Ambassador to China Devilas-Boas were present at the talks.

In the evening Qian hosted a dinner to welcome Barroso and his party, who arrived here earlier today.



### **Barroso Discusses East Timor**

*LD2005135093 Lisbon RDP Antena 1 Radio Network  
in Portuguese 1300 GMT 20 May 93*

[Text] The situation in East Timor has been broached during the Portuguese foreign minister's visit to China, as Fatima Cid reports:

[Cid] Portugal is making Beijing aware of the problem of East Timor; the situation in the territory was discussed by the two foreign ministers this afternoon here in Beijing.

[Begin recording of Portuguese Foreign Minister Barroso] I decided I should inform the Chinese side in detail of the importance we place on this matter, which is known to everyone, and of the efforts we are carrying out with a view to finding an acceptable solution within the context of international law. I would like this to be publicly known; it is also a question which could not be ignored at this meeting with my Chinese counterpart. [end recording]

[Cid] Durao Barroso is convinced that China, who a few years ago defended the self-determination of East Timor at the United Nations, will take another look at the annexed territory. From his meeting with his Chinese counterpart, Durao Barroso also highlighted the understanding, which he described as excellent, between Portugal and the PRC, especially regarding Macao. He added that Minister Qian Qichen has officially invited Prime Minister Cavaco Silva to visit China.

### **Jiang Zemin Meets Barroso**

*OW2105105693 Beijing XINHUA Domestic Service in Chinese 0937 GMT 21 May 93*

[Text] Beijing, 21 May (XINHUA)—President Jiang Zemin today had a cordial and friendly conversation with Portuguese Foreign Minister Durao Barroso during a meeting at the Great Hall of the People.

Jiang Zemin said: We attach great importance to developing Sino-Portuguese friendship and cooperation because this is in the interest of both countries as well as world peace. China and Portugal have satisfactorily settled the Macao issue left by history and have cooperated well in implementing the joint declaration and in ensuring Macao's stable development. This shows that any complicated issue can be settled properly as long as both sides are sincere.

Barroso said Portugal will continue to make efforts to further strengthen its ties with China in all areas. He said: Portugal and China have the same goal on the Macao issue. Both countries are dedicated to ensuring a smooth transition and stable development in Macao. We are ready to continue to work hard with China in an open and friendly manner.

Jiang Zemin briefed the visitor on China's economic development and the country's reform and opening endeavors. He also invited Barroso to visit Xian and Shanghai. Foreign Minister Barroso said he was delighted to have the opportunity to witness China's enormous economic growth, adding that he admired the successes China has achieved in reform and opening up.

### **Jiang, Barroso Discuss Macao**

*OW2105100993 Beijing XINHUA in English  
0949 GMT 21 May 93*

[Text] Beijing, May 21 (XINHUA)—China attached importance to the development of Sino-Portuguese relations, which were conducive to the intertests of both and to world peace, President Jiang Zemin told visiting Portuguese Foreign Minister Durao Barroso here today.

During their meeting, Jiang said China and Portugal settled satisfactorily the Macao issue and have cooperated well in implementing the joint declaration (on Macao issue) and working for Macao's smooth transition and stable development.

"This indicates that any complicated question can be settled properly as long as both sides are sincere," Jiang was quoted as saying by a Chinese Foreign Ministry official.

Barroso said Portugal will continue to make efforts to further strengthen relations with China.

He said Portugal and China shared common goals for the smooth transition and stable development of Macao.

"We are ready to continue work with China in an open and friendly manner," the foreign minister was quoted as saying.

During the meeting, Jiang also briefed the visitors on China's economic development and the country's reform and opening drive.

Jiang invited Barroso to visit Xian and Shanghai to learn more about the development there.

Barroso said he was happy to have the opportunity to witness China's development. He added that he appreciated China's development and reform and open policies.

### **Wei Jianxing Meets French Communist Official**

*OW2105111393 Beijing XINHUA in English  
1058 GMT 21 May 93*

[Text] Beijing, May 21 (XINHUA)—Wei Jianxing, member of the Political Bureau of the Communist Party of China (CPC) Central Committee, met with Louis Viannet, member of the Political Bureau of the Central Committee of the French Communist Party and general secretary of the General Confederation of Labor of France, and his party here today.

**Political & Social****Dissident To Be Freed as 'Gesture' to U.S.***HK2105045893 Hong Kong AFP in English 0448 GMT  
21 May 93*

[Text] Beijing, May 21 (AFP)—China has decided to release early one of the country's most prominent political dissidents in a human rights gesture to the United States, Chinese and U.S. sources said Friday [21 May]. Xu Wenli, a 50-year-old electrician jailed for 15 years in 1982 for his leading role in China's short-lived Democracy Wall movement, would be paroled before the end of the month, said U.S. human rights activist John Kamm.

Kamm, who ended a visit here Thursday, said the Chinese Justice Ministry informed him Xu was being freed four years before the end of his term because he had abided by prison rules and regulations. "I'm quite sure it will happen before the end of the month," Kamm said, adding that more probably the release would occur "over the next two to three days."

The timing of the release and the fact Beijing informed the United States ahead of time showed clearly the gesture was aimed at appeasing Washington, diplomats said. The Chinese Foreign Ministry told the U.S. Embassy here this week that Xu would be released, his family and friends said. The embassy declined comment.

U.S. President Bill Clinton must decide by June 3 whether to revoke or extend China's most favored nation trade status, which grants the lowest possible tariffs to Chinese imports. Clinton is expected to renew, but attach conditions that would require China to make progress in human rights, trade and arms non-proliferation. "A lot of senior leaders didn't want (the release) to happen," Kamm said.

Xu, who is held in Beijing No. 1 Prison, edited an unofficial journal, April Fifth Forum, after China's communist leaders eased their grip on free speech in 1978, when the Democracy Wall movement started. The movement was quickly put down and Xu was jailed in June 1982 on charges of "counter-revolutionary propaganda and incitement." Xu and his better known contemporary Wei Jingsheng were the only two Democracy Wall activists to receive 15-year prison sentences.

**Justice Ministry Confirms Release***HK2105095093 Hong Kong AFP in English 0922 GMT  
21 May 93*

[By William Brent]

[Text] Beijing, May 21 (AFP)—A pioneer of China's democracy movement will be released from prison three years early in a human rights gesture to the United States, Chinese officials and Western diplomats said Friday [21 May].

Xu Wenli, a 50-year-old electrician jailed for 15 years in 1982 for his leading role in China's short-lived Democracy Wall movement, would be paroled before the end of the month, Justice Ministry spokesman Wang Rongkang said.

"The exact time has to be decided by the courts," the spokesman said.

Xu's observance of prison rules was cited as the reason for his parole.

Xu and his better known contemporary, Wei Jingsheng, were the only Democracy Wall activists known to be imprisoned for 15 years. Xu was due for release from Beijing No. 1 Prison in April 1996.

John Kamm, an American human rights activist based in Hong Kong, met with Justice Ministry officials here this week and he said Thursday that Xu would probably be freed "over the next two to three days."

"The release is very sensitive. A lot of senior leaders didn't want it to happen," Kamm said.

The Beijing Intermediate People's Court, which convicted Xu, would not say Friday when he would be set free. Under Chinese law, the court that sentenced a Chinese citizen must approve a parole before it takes effect.

The timing of the release and the fact that Beijing informed the United States ahead of time showed clearly that the gesture was aimed at appeasing Washington, which has been highly critical of China's human rights record, Western diplomats said.

The Chinese Foreign Ministry told the U.S. Embassy here this week that Xu would be paroled. The embassy then informed the dissident's family, according to his daughter Xu Jing.

U.S. President Bill Clinton must decide by June 3 whether to revoke or extend China's most favored nation (MFN) trade status, which grants the lowest possible tariffs to Chinese imports.

Clinton is expected to renew MFN, but attach conditions that would require China to make progress in human rights, trade and arms nonproliferation.

Xu edited an unofficial journal, April Fifth Forum, after China's communist leaders eased their grip on freedom of speech in 1978, when the Democracy Wall movement started. In the journal, Xu advocated democratic elections and an end to Marxism as China's sole official doctrine. He also called for economic reforms that have ironically been adopted by the communist party.

The Democracy Wall movement was put down a few months later and Xu was detained in April 1981 and convicted in June 1982 for "counter-revolutionary" crimes. The 14 months of pre-trial detention counted toward time served.

Another activist at the time, Wang Xizhe, was freed earlier this year.

**Li Ruihuan at CPPCC Standing Committee Meeting**

*OW2005212593 Beijing XINHUA in English  
1540 GMT 20 May 93*

[Text] Beijing, May 20 (XINHUA)—Some 90 members of the Standing Committee of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) put forward a batch of proposals to improve the work of the conference here today.

They took the floor and made their proposals during the current second meeting of the Standing Committee of the Eighth CPPCC National Committee.

Li Ruihuan, chairman of the Eighth CPPCC National Committee, took part in the meeting. Vice-Chairmen Dong Yinchu and Ann Tse-kai presided over the meeting in the morning and afternoon, respectively.

The participants said that the Eighth CPPCC National Committee should take every measure to carry out its duties of political consultation and democratic supervision.

Member of the Standing Committee Zhou Tongshan proposed that most of the subcommittees, which are the working organizations of the CPPCC, carry out the everyday business of the CPPCC National Committee. The subcommittees should make regular contact with the concerned departments of the government, he advised.

Jian Tiancong said that the members of the CPPCC should make investigations and present proposals to the National People's Congress and the government on important social phenomena such as public security, the production and sale of fake and inferior commodities and corruption among government officials.

One member said that he hoped that the channels would become more open for conveying information about the real situation among the people to the government.

Other members expressed their opinions about strengthening ties with Taiwan and Hong Kong, and attracting more investment from the regions. A member also proposed giving more scope to the Hong Kong members of the CPPCC.

Luo Guanzong urged in a speech that the policies of the Chinese Communist Party on religions should be carried out conscientiously.

Moreover, Qian Liren put forward his proposals on how to keep government officials honest while stimulating the market economy.

**Commentator Urges Learning From Grass Roots**

*HK2005141593 Beijing RENMIN RIBAO in Chinese  
17 May 93 p 1*

[Commentator's article: "Go to the Grass-Roots Level—On Improving Work Style of the Leadership"]

[Text] The quickening of the pace of reform, opening up, and modernization construction has led to numerous new conditions, new experiences, and new problems, and when leading cadres at various levels want to understand the situation promptly, discover problems, sum up experiences, and solve conflicts, they must go downstairs and out of the office to the grass-roots level. This is a demand of an improvement in leadership work style raised by the CPC Central Committee for leading cadres at various levels under the new situation, as well as an urgent wish among the broad masses of grass-roots cadres and people at this time.

At present, many comrades have a correct understanding of going to the grass-roots level, and they are enthusiastically doing it, but there are a small number of comrades who have not gone to the grass-roots level after stalling for a long time, or are "surfacing" again after going down for just a few days. There are many reasons for this phenomenon: for example, some comrades are extremely busy and they think that they can do the work well by convening meetings and issuing documents; some comrades are fond of formalism and flourish and like to see their names in the newspapers, hear their voices on broadcasts, and watch their images on television, and they are not interested in going to the grass-roots level; and some comrades fear hardship and difficulties. It is necessary to strengthen ideological education for these comrades to enable them to understand that going to the grass-roots level is not only conducive to promoting work at the grass-roots level, but is also conducive to fostering closer ties between the party and the people and between cadres and the people, as well as conducive to upgrading the quality of party and government cadres and promoting the reform and construction of party and government organs. Consequently, it must be seriously grasped well.

In going to the grass-roots level, one should have a clear purpose. At present, the same trip to the grass-roots level may have different results, and people may have different reaction. A small number of comrades go there because they have to deal with their superiors and fulfill their duties; therefore, they indeed go there, but they fail to carry out thorough research into actual conditions or help to solve problems at the grass-roots level. But most comrades have a clear purpose when they go down there: To understand actual conditions, listen to the voice of the people, solve crucial problems, and promote overall work. When they go down there they carry out serious investigations and surveys and strive to derive methods to solve the problems which the masses want to solve and which they can solve, and explain to the masses the problems which cannot be solved immediately, while reflecting their problems to superior levels. This kind of pragmatic spirit—which has a clear purpose and is characterized by efforts to search for actual conditions, do practical things, and seek practical results—is praise-worthy.

In going to the grass-roots level, we should not only visit places and units which have advanced performance,



good conditions, and rich experiences, but must also go to places and units which have backward performances, bad conditions, and many problems. It is certainly good to make perfection still more perfect, but it is more important to provide timely help. Places with poorer conditions and more difficulties should be regarded as places needing more care, support, and help from leading organs and leading cadres. In the future, under the condition of the development of socialist market economy, how we can help poor and backward areas fight poverty and achieve affluence should become a topics for relevant leading cadres to study seriously.

In going to the grass-roots level, we must benefit the people and not cause inconvenience to them. Cadres going to the grass-roots level is an important method of the party and government to foster closer ties with the masses. In order to achieve the goal of fostering closer ties with the masses, cadres must really get down from their high horse and improve their style and way of going down there to make the grass-roots level feel warmth and convenience. They should express care and support for grass-roots work and they must not add burdens to them; cause inconvenience; or let grass-roots comrades use a lot of manpower, materials, and money to greet them, bid them farewell, feed them, and accommodate them. In particular, when middle-ranking and senior cadres go there, a small entourage is preferable, and it is not necessary for them to be accompanied at each and every level. When they want to go down there, they should do so immediately, and they do not have to inform the grass-roots level beforehand. This will be conducive to coming directly into contact with grass-roots cadres and people on the one hand, and on the other hand, to listening to what they want to say from their hearts and understanding the actual conditions of various locations.

Through practice, in the case of cadres going to the grass-roots level, we have created quite a number of ways and have accumulated a lot of experiences: for example, quick investigations in an extensive area; long-term survey on the spot; running on-the-spot offices; sending work teams; transferring to the grass-roots level while keeping one's office; and so on. This has played an active role in fostering closer ties with the masses and promoting the development of various tasks. In the future, we should ceaselessly sum up experiences and this will enable the dispatch of cadres to the grass-roots level to become regularized, institutionalized, and scientific.

#### **Coastal Areas Step Up Fight Against Smuggling**

*HK2005145193 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1046 GMT 13 May 93*

[Special dispatch by reporter Xie Zuan (6200 9449)]

[Text] Hong Kong, 13 May (ZHONGGUO TONGXUN SHE)—Recently, smuggling activities at sea along the coast of the mainland were still rampant, spreading from the coastal waters near Hong Kong and Macao to Beibu Wan in the south and to the sea areas north of the Chang

Jiang, as well as penetrating into the inner rivers. Facing this situation, the mainland adopted various measures to block smuggling at sea and check and control smuggling on land, severely cracking down on smuggling activities and scoring gratifying results. In the first quarter of this year, Hainan, Guangdong, Fujian, and Zhejiang seized smuggled goods which had a total value of 160 million yuan, 3.7 times more than the same period of last year.

In fact, since this year, the southeast coastal region has witnessed frequent smuggling at sea. The smuggling groups established connections at home and abroad and, apart from using the often-used large and medium-sized speed boats or ordinary fishing boats to smuggle goods, they tended to use more foreign-registered ships to smuggle goods recently. According to statistics, from January to March this year, 32 ships were discovered to be involved in smuggling, among which eight were foreign-registered ships specializing in smuggling, and the goods seized amounted to 91 million yuan, which was 57 percent of the total value of confiscated goods. On 18 March, a Honduran-registered ship tried to smuggle 9,000 cartoons of cigarettes which had a value of 19 million yuan, but it was discovered by the Zhanjiang Customs Department.

Less than two weeks later, the Gongbei Customs Department discovered that the barge "Dacheng" tried to smuggle 410 color television sets and air-conditioners, which had a value of 1.67 million yuan.

Smuggling activities involving the use of foreign-registered ships are generally of a larger scale and manipulated by smuggling syndicates, and this situation is serious and has aroused concern on various sides.

According to sources, in the first quarter of this year, among the smuggling cases detected by the four provinces of Hainan, Guangdong, Fujian, and Zhejiang, there were 16 cases each which involved goods of over 1 million yuan, and the value of seized goods amounted to 121.47 million yuan; this accounted for 76 percent of the total value of smuggled goods seized in the country. In the first quarter of this year, cars, color television sets, air-conditioners, and cigarettes were still the most popular smuggled goods. Among these goods, cars ranked first, and cigarettes second. A total of 36,000 cartoons of cigarettes were seized in the first quarter of this year.

In recent years, the strength of Chinese customs departments' antismuggling efforts grew continuously. Since 1985, marine antismuggling teams have been founded in customs departments in coastal locations such as Guangzhou, Gongbei, Kowloon, Shantou, Jiangmen, Haikou, Fuzhou, Xiamen, and Hangzhou. These teams are under the central command of the headquarters of the marine antismuggling contingent of the four coastal provinces in the southeast under the General Administration of Customs. At present, customs departments in the whole country have nearly 1,000 marine antismuggling personnel, some 30 antismuggling ships of various types, and nearly 100 task craft and motorboats.



As a result of the enhanced strength of China's customs departments to tackle smuggling at sea, the smuggling activities at sea will be subject to more severe crackdown and control. According to statistics, from 1981 to February 1993, more than 10,000 cases of smuggling at sea were detected, with the goods involved amounting to 1 billion yuan.

## Military

### Liu Huaqing Stresses Armed Forces Modernization

OW2005212693 Beijing XINHUA in English 1619  
GMT 20 May 93

[Text] Beijing, May 20 (XINHUA)—Vice-Chairman of the Central Military Commission Liu Huaqing stressed here today that China's Armed Forces should focus on modernization.

Liu, who is also member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), said that it is the need of the times and the inexorable trend of history that the state focuses on economic development while the Armed Forces focus on modernization.

In a speech delivered here today at the invitation of the party school of the CPC Central Committee, Liu said it is necessary to take the current opportunity to constantly enhance the strength of the country's national defense to ensure safety of current reforms, opening up and economic development.

He noted that it is an urgent task for the Armed Forces to further promote the drive for modernization of the Army.

Liu noted that it is imperative to reinforce the Chinese Armed Forces according to the actual conditions of the country and build the army into a modernized force with Chinese characteristics.

Vice-Chairman Liu said that in the process of modernizing the Armed Forces, it is necessary to pay attention to eight aspects, which include adhering to the principle of giving priority to revolutionizing the Army, and to the military strategy of active defense; accelerating the pace of upgrading the weaponry and equipment; persisting in giving priority to education and training of the soldiers; and adhering to the principle of building up the Army through thrift and hard work.

In concluding the speech, Vice-Chairman Liu called on the party committees and governments at all levels to continue attaching importance to the cause of modernizing the Armed Forces and raising the whole nation's consciousness of national defense.

### Army Paper on Political Work in Guangdong

HK2105025593 Beijing JIEFANGJUN BAO in Chinese  
7 May 93 pp 1, 2

[Report by Gong Zhuozhu (7895 0587 4371), He Delai (0149 1795 0171), and Huang Qunwen (7806 5028 2429): "Certain Troops Stationed in Special Economic Zones Gain Experience in Doing Ideological and Political Work in New Period"]

[Text] Most troops of a unit under the Guangzhou Military Region are stationed in the Special Economic Zones [SEZ's] of Shenzhen and Shantou and in some open coastal areas. The rapid development of reform and opening, and the socialist market economy, has not only posed challenges to the ideological and political work among the troops but has also provided a historic opportunity for the work of the troops and for reform of the unit's work. The unit's party committee made full use of the positive factors brought by reform and opening to consolidate the troops and also resolutely resisted the influence of some negative factors on the troops. Great efforts were made to increase the pertinence and effectiveness of the ideological and political work, thus making the troops strong enough to stand the test of reform and opening and the test of the development of the socialist market economy, guaranteeing the fulfillment of various tasks and promoting the work of the troops in all fields.

### Making Full Use of Positive Factors Brought by Reform and Opening To Promote the Troops' Work and Reform

First, taking the great achievements in local reform and opening as teaching materials for the political education of the troops, thus helping them keep firm faith in the road of building socialism with Chinese characteristics. Since the beginning of reform and opening, in the SEZ's and open areas where the troops are stationed, gross production has been growing at a high rate of around 20 percent a year. The growth rate is far higher than that of the "four little dragons" in Asia when they underwent economic take-off. In particular, since 1982, the Shenzhen SEZ has been rapidly increasing its gross social production, gross internal product, and financial revenue. Foreigners call it "a city emerging overnight." Last year, the per capita income in the Zhu Jiang Delta exceeded 3,000 yuan and the people's living standards reached the level of being comparatively well off. The facts provided the troops with vivid teaching materials for ideological education, causing them to keep firm faith in socialism. The party committee frequently organized officers and servicemen to visit the SEZ's and open areas and to see exhibitions and videotapes about the achievements in reform and opening; invited local party and government leaders to give lectures; and invited people returning from overseas areas to talk about their personal feelings. From the great changes they personally witnessed, officers and men in this military unit understood the correctness of the party's reform and opening policy, found the attractiveness of socialism, saw the

bright vista of country in the future, and gradually freed themselves from perplexity about the question about "socialism" and "capitalism." They thus had a higher degree of consciousness in carrying out the party's basic line. The officers and men also took concrete action to support construction in the SEZ's. In recent years, the unit dispatched a total of over 30,000 troops and more than 10,000 vehicles on a variety of occasions in support of such key projects as the water diversion work from Shenzhen to Hong Kong, the Daya Bay Nuclear Power Station, and the port construction project in Huizhou, thus making significant contributions to the development of the SEZ's and open areas.

Second, learning from the people's spirit of being resolute and courageous in carrying out reforms and making creations and innovations in the SEZ's and open areas and promoting the unit's own work and reform. A major point of the successful experience gained by the SEZ's and open areas is to have the courage to break the shackles of outmoded ideas and to blaze a new trail in economic construction through bold experiments; to have the courage to update people's mentality and adopt a sense of urgency, efficiency, and competition; and to carry forward the pathbreaking and hardworking spirit in difficult conditions. The military unit earnestly learned from the reform experience of the local people in order to more successfully handle its own work and reform according to its specific conditions. They changed the previous practice of "closed-door education" inside the military barracks and adopted such new forms as setting up fixed links with civilian units, exchanging visits between the troops and the local people, establishing correspondence connections, and using the influence of society and families to improve political education for the troops. In the aspect of cadre management, they learned from the local civilian institutions and adopted the method of giving awards to those who work hard and do a good job and punishing those who are lazy and do a lousy job. The military unit formulated detailed rules for the comprehensive assessment of cadres' work, adopted a post responsibility system for cadres, decided promotions and demotions and gave awards and meted out punishment according to cadres' political attitude and actual work performances and results. This changed the previous situation in which cadres were treated in the same way no matter whether they did a good or an execrable job. They also introduced the competition mechanism to military training and extensively carried out activities of "breaking records, winning gold medals, and striving for the championship." This effectively aroused the troops' enthusiasm. In the last four years, a total of 282 people on various occasions broke 45 military skills records in this unit and in the whole military region, and more than 1,000 experts in various military skills and more than 400 outstanding "four-capable" instructors emerged.

Third, guiding officers and men to temper themselves and acquire various skills in the barracks by showing them a large number of facts proving that demobilized

military personnel can give full play to their skills in economic construction and that the SEZ's possess advanced technology and a high density of professional and skilled manpower. In the Zhu Jiang Delta, many directors and managers of famous factories are cadres who have transferred from military units to civilian work. In Shenzhen City, 65 percent of outstanding factory directors and managers elected in 1991 are ex-military cadres. The unit often invited ex-military cadres and ex-servicemen to give lectures to the troops so that their personal experiences and feelings could encourage the troops to cherish their life in the barracks and to fulfill their current tasks. At the same time, the unit also made full use of the strong point of the SEZ's and open areas in possessing advanced technology and a high density of professional and skilled manpower by providing over 40 college-level correspondence courses in turn for more than 2,000 cadres. Of these, 1,300 cadres have successfully achieved college diplomas. In addition, more than 1,000 officers and men were sent to study accounting, equipment repair, microcomputer operations, and modern business management in civilian institutions. This promoted the training of troops capable of both military and civilian work, satisfied the desire of officers and men to acquire more knowledge and master more skills, and played a positive role in increasing the cohesion among the troops.

Fourth, using the fact that the local governments and the local civilian people enthusiastically supported the troops, encouraged them and built up a sense of honor and a sense of responsibility among them for dedicating themselves to national defense. The people in the SEZ's and open areas did not forget the importance of national defense after they became better off. Local civilian leaders and common people understood that "an army must always be maintained in order to cope with any contingency" and that "national defense is also part of the investment environment." They did a great deal of solid work to support and assist the troops. The unit leaders included such facts in their teaching materials and also videotaped these facts. Thus, they could be used to educate officers and men. From the local masses' enthusiastic activities of supporting the troops, officers and men acquired a better understanding of the Army's status and role in peacetime and increased their sense of responsibility and mission for defending the motherland and the four modernizations.

Fifth, making use of the prosperous economy and the brisk market in the SEZ's and open areas to develop agricultural and sideline production and develop other economic undertakings improved the material and cultural lives of the troops. The unit made full use of the advantageous conditions of the SEZs and the favorable policies laid down by the local authorities to run the Pinghu Industrial Estate and 46 industrial enterprises, including an electronics plant, a magnetic tape plant, and a pharmaceutical factory. They adopted the advanced management method in the SEZ's and substantially enhanced productivity. Since 1985, they have used more

than 80 million yuan of income from production and business operation to reinforce the military unit's infrastructural facilities, to subsidize the cost of living, and to improve the material and cultural lives of the troops.

#### **Effectively Resisting Negative Influence, Maintaining a High Degree of Stability and Soaring Morale of the Troops**

With the development of the commodity economy and the market economy, a tendency toward money fetishism appeared among some people in society and the "egoism" ideology also arose. With the infiltration of the decadent Western ideology and culture, deviations appeared in the outlook on life and the values of a small number of officers and men. Their spirit of dedication became weaker and a very small number of people even degenerated into criminal offenders. This military unit found it necessary to check the erroneous tendencies by providing guidance to the troops through the adoption of comprehensive measures and focused its work in the following three aspects:

First, making great efforts to inculcate a selfless and dedicated spirit in the troops and helping officers and men to establish a correct outlook on life and adopt correct values. The unit's party committee repeatedly conducted education on the revolutionary outlook on life and helped the troops adopt a correct attitude toward personal gains and losses and toward money. It also conducted education in this Army's fine tradition and in the ethics of revolutionary soldiers. It compiled such teaching materials as "Twenty Lessons on This Army's Fine Tradition" and "Materials for Ideological Education of Cadres," organizing the troops in studying them. At the same time, it also gave publicity to models of displaying selfless dedication. The models introduced to the troops included: The party committee members of a regiment who took their work seriously, and regarded personal fame and gain lightly, in leading the unit in changing the backward condition; Zhao Yanqing, who was named "model of learning from Lei Feng" by the Central Military Commission for his exemplary behavior in carrying out this Army's principles and placing the interests of the troops and other people in first place; Zhou Yuhua, commander of a unit who has remained in his current position for eight years and has worked in a down-to-earth manner; and Liu Jingbo, a squad leader who gave up his job as a factory director in the SEZ with a handsome monthly income of 2,000 yuan to join the Army and perform faithful service. The party committee of this unit organized similar models every year and dispatched them to give lectures to the troops. Because people with lofty ideals talked about the ideal and people with a dedicated spirit talked about dedication, officers and men were more effectively encouraged to work faithfully during the period of enlistment. Through education and guidance, many comrades have kept firmly in their minds such ideas as: "The interests of the motherland should be placed higher than anything else"; "a soldier's duty is to make dedications"; and "the

people's affluence and the motherland's prosperity will bring me happiness and honor."

Second, according to the characteristics of military service, giving more effective guidance to the behavior of military personnel. In order to help officers and men enhance their ability for self-discipline and self-control to consciously resist the influence of negative factors, this unit compiled a "Textbook on Behavioral Norms for Military Personnel" in connection with the actual conditions of the troops. A copy of this textbook was issued to every officer and every serviceman. They were required to follow the moral and behavioral norms for military personnel so that they could understand that the Army is a highly united armed group and that many things allowed and advocated in society may not be allowed or advocated in the Army. They were also required to distinguish right from the wrong, beautiful from ugly, and honor from disgrace; and to earnestly bring their words and deeds into line with Army rules and regulations. This unit also separately signed "joint-education, joint-management, and joint-prevention" pledges with party and government institutions, factories, shops, and schools near the military barracks, thus reducing the influence of the negative factors in society on the troops.

Third, making efforts to improve the troops' material and cultural lives and creating a benign working and living environment for the troops. This unit relied on its own efforts and strengths to construct facilities for the troops without waiting for material and financial support from the upper authorities. It instructed the troops to build their barracks like their own homes. Most grass-roots units now have their own basketball, volleyball, and badminton courts; movie theaters; gyms; libraries; radio stations; weight training room; recreation spaces; and karaoke rooms. This has enriched the spare time activities of officers and men.

#### **Using Both Hands To Grasp According to Dialectics**

This unit's party committee used one hand to make good use of the positive factors and the other hand to resist the influence of the negative factors. It paid attention to using dialectics to guide the work and properly handled the following issues:

First, conscientiously studying and deeply understanding Comrade Deng Xiaoping's theory about building socialism with Chinese characteristics and grasping the correct criterion for distinguishing right from wrong. They guided the troops to: Approach things in accordance with the practice criterion; emancipate their minds; update their thinking; shake off the shackles of the viewpoints of "two whatevers" and book worship and the "leftist" idea of "taking class struggle as the key link"; disengage themselves from the debate over the abstract concepts of "socialism" and "capitalism"; and to keep themselves sober-headed.

Second, always proceeding from the specific conditions of the troops when learning from the reform experiences



of local civilian institutions and always maintaining the Army's distinct characteristics and fine tradition. Some subordinate units once copied and assimilated civilian experience in a simplistic and unrealistic way. The unit leaders promptly corrected this tendency and conducted earnest ideological education for officers and men. They made the troops understand that the Army's reform is part of the nation's reform and should follow the basic principles of the nation's reform. However, there are many differences between the Army's reform and civilian reform. When learning from civilian experience, they paid attention to the Army's own characteristics and maintained the Army's distinct characteristics and fine tradition, thus ensuring that the Army's reform maintained a correct orientation and was carried out effectively and solidly.

Third, constantly adhering to the dialectical concept of one dividing into two, while preventing oversimplification and one-sidedness. In many things, positive factors and negative influence are interwoven. In the process of "using both hands to grasp things," they paid attention to using the positive factors to offset the negative influence, thus turning negative factors into positive factors. Since the beginning of reform and opening, and especially in recent years, officers and men of this unit have often met more and more friends and relatives coming to work in the areas near their barracks. This unit approached this phenomenon from the viewpoint of one dividing into two. They understood that the current labor policy in the SEZ's allowed relatives of officers and men to seek jobs near the barracks and the military unit had no reason to forbid such activities. On the other hand, they also noticed that if relatives came to work near the barracks, the work and management of the troops would be affected because the attention of the officers and men might be distracted. Therefore, this unit did not prohibit relatives of officers and men from seeking jobs in areas near the barracks; neither did it take a laissez-faire attitude toward this phenomenon. Leaders at various levels did ideological work among officers and men, requiring them to persuade their relatives not to seek jobs in the vicinity of the barracks. At the same time, the command issued an order: Relatives who have no right to follow the troops according to military rules and regulations must not be allowed to seek accommodation in the barracks. As they view things according to the concept of one dividing into two and concretely analyzing concrete affairs, they effectively prevented one-sidedness in the thinking method and oversimplification in their work.

Fourth, continuously studying new things and solving new problems, increasing the pertinence and anticipation of the measures in "grasping things with both hands." In recent years, when the party and the state adopted new reform policies and measures, when new economic phenomena appeared in the local area, or when new trends appeared in the work of the troops, this unit always promptly made investigations, made correct analyses, and anticipated the impact on the

mentality and work of the troops. In the first half of last year, a "stock craze" appeared in the local area and some people had a windfall from speculating in stocks. This had an impact on the minds of some officers and men and some of them also wanted to buy stocks. The unit leaders explained the Army's rules which prohibit military personnel from getting involved in stock transactions. This effectively prevented the occurrence and spread of such problems, and enabled the unit leaders to control the situation.

## Economic & Agricultural

### 'Roundup' on Socialist Market Economy, Part Two

HK1905131393 Beijing RENMIN RIBAO in Chinese  
30 Apr 93 p 5

[Second and final installment of "Academic Trends" column by Wu Jingmin (2976 0079 7044) and Cao Lei (2580 5623): "Roundup on Discussion of 'Socialist Market Economy' Issue"; Part One of the RENMIN RIBAO 'roundup' on the socialist market economy was published in the Economic & Agricultural section of the 12 May China DAILY REPORT, beginning on page 41]

### [Text] III. Generalities and Particulars of Socialist Market Economy

#### 1. Generalities of a market economy

Opinions are less divergent on this question among theoreticians. It is agreed that, as far as the general features of a market economy are concerned, there are no fundamental differences between a socialist market economy and a capitalist market economy. Both of them have the following features: 1) enterprises assume full responsibility for their behavior; 2) a market-oriented allocation of resources; 3) indirect macroeconomic controls; 4) perfection of the market system; and 5) the legalization of business management.

#### 2. Particulars of the socialist market economy

Scholars have pointed out that the particulars of the socialist market economy are determined by the basic features of the socialist system. In the main, this is reflected in the following aspects: 1) in terms of the ownership structure, the socialist market economy has public ownership as its major sector and the individual, private, and foreign capital sectors as supplements, each of which gives full play to its own advantages, competes with others on an equal footing, and develops along with the others side by side; 2) as far as the distribution system is concerned, the system of distribution according to work plays a leading role, while other forms of distribution play a supplementary role, the principle of integrating efficiency and fairness is upheld, income gaps are widened rationally, measures are taken to prevent divisions between rich and poor, and efforts will be made to achieve common prosperity step by step; 3)

as far as macroeconomic regulation and control is concerned, the state has more substantial material resources at its disposal and a greater ability to achieve this aim, and it can make fuller and more efficient use of planning and the market as two economic means.

#### **IV. Main Approach To Establishing Socialist Market Economic Structure**

##### **1. Overcoming main obstacles to the development of the socialist market economy**

The establishment of a socialist market economic structure in China will be a pretty long historical process, during which a lot of difficulties and obstacles need to be overcome. Specifically, they are reflected in the following aspects: 1) the macroeconomic regulation and control system has not been completely extricated from the existing planned economic system yet, therefore it hardly suits the objective needs of the development and operation of the Chinese market structure in terms of the mode, means, and extent of regulation and control. 2) The market regulation mechanism, restrained too much by the planned economic structure, is hardly able to play its required role. 3) It is hard for the main market sector to really function, as enterprises are not empowered to deal with the market independently and to operate on their own under the market economy structure. 4) Irrational market organization and structures and an unsound and diversified system of market operational rules have resulted in market disorders and the distortion of market guidance. 5) The market has been growing and developing in an unbalanced manner. 6) Long-standing traditional concepts that regard socialism as being in conflict with the market economy and treat the market economy as something exclusive to capitalism are major ideological obstacles to the establishment of a market economic structure in China.

##### **2. Making the new socialist market economic structure**

There is a view which holds that making a socialist market economic structure requires the deepening of the following reforms: First of all, it is necessary to reshape microscopic entities in the socialist market economy; that is, we need to develop enterprises that will play a leading role in the market, these enterprises should be able to react swiftly to supply-demand relations in the market, operate on their own, assume full responsibility for their profits and losses, and exercise self-restraint; second, it is necessary to develop a market, intensify market mechanisms, ensure that leading entities in the market enjoy decisionmaking power, diversify customers in the market, and give full play to the role of market mechanisms; and, finally, it is necessary to speed up the transformation of government functions and put the macroscopic planning, regulation, and control system, which mainly operates by economic means, on a sound basis.

Another view holds that price reform and enterprise reform are key links to shaping the socialist market economy. Therefore, in making a new socialist market

economic structure, on the one hand, it is necessary to actively, steadily, and appropriately carry out price reform and thus develop a market pricing system and a rational price parity system; and, on the other hand, speed up the pace of enterprise reform as soon as possible to allow enterprises to become leading economic entities which operate on their own and assume full responsibility for their profits and losses.

The third view holds that the most important task in making the new socialist market economic structure is to establish a competitive market system. The main content of this market system is as follows. Commodity and market relations are basic economic relations under this system, while all kinds of economic activities are involved in the operation of the market economy, with market regulation playing a dominant role; there is a sound socialist market system; markets are the main distribution form for the community's resources; lifting restrictions on prices is a prerequisite of market competition, and the price mechanism is the core of the market mechanism.

The fourth view holds that, at present, the establishment of a socialist market economy must proceed vigorously but steadily and appropriately. On the one hand, one must learn foreign experiences and theories on the operations of a market economy and have an idea about what market economics actually is; and, on the other hand, take the initiative in blazing one's own trail, sum up experiences, formulate concrete plans for reform to build a socialist market economy and implement them step by step, thus establishing a socialist market economy with Chinese characteristics.

#### **V. Questions on Relations Between Planning and Markets Under the Socialist Market Economic Structure**

It is generally agreed that planning and markets are both forms of resource allocation and are means for regulating economic operations. The use of planning and markets as regulatory means is an intrinsic need of developing socialized mass production and the commodity economy, and the two means are not in themselves an expression of the basic attributes of a social system.

Nevertheless, opinions vary on what the relationship actually is between planning and the market.

One view holds that the market plays a more fundamental role than planning does—it invigorates enterprises, increases micro efficiency in the use of resources, accelerates the formation and circulation of capital, helps diversify risks, and plays a positive role in economic development. Planning, for its part, performs the function of macroeconomic regulation and microeconomic guidance within the market framework.

The second view holds that planning and the market complement each other rather than countering and superseding each other, and each of them plays its own role and enjoys its own advantages at different levels of

the economy. Generally speaking, planning mainly perform its functions in macroscopic regulation and control, controlling aggregate demand, structural adjustment, economic plans, and other aspects of the economy as a whole, and it helps solve such problems as the allocation of major resources and the readjustment of social interests. Meanwhile, the market mainly performs its functions in the microeconomic realm, daily production and business operations, and relevant resource allocation.

The third view holds that planning is not a negative thing under a socialist market economic structure. However, in order to properly use planning, one needs to update conventional concepts on planning, repudiate the highly centralized economic planning structure, establish a role for planning based on the law of value, and let planning play its role in accordance with the fundamental laws of a market economy.

#### **Chen Jinhua Discusses 'Focal Points' of Reform**

HK2105064093 Beijing ZHONGGUO JINGJI TIZHI  
GAIGE in Chinese No 4, 23 Apr 93 pp 6-9

[Interview with Chen Jinhua, former minister in charge of the State Commission for Restructuring Economy, by a staff reporter; place and date not given: "Chen Jinhua on Hot Points of Reform"]

[Text] In recent years, our magazine has continued to receive letters from our readers, hoping for answers to several major issues concerning reform and opening up to the outside world and also economic development. For this reason, this reporter interviewed Chen Jinhua, the former minister in charge of the State Commission for Restructuring Economy, who is to transfer to take up the job of minister in charge of the State Planning Commission. I was granted an interview by him despite the many claims on his time and he freely discussed his views on some hot points about which the general public are concerned.

[Reporter] What are the focal points of reform in 1993?

[Chen Jinhua] The objective of our economic structural reform this year is to establish a socialist market economy, continue to implement the "Regulations on the Transformation of Operational Mechanism of Industrial Enterprises Under the System of Ownership by the Whole People," and carry out necessary supporting reforms, centering on the transformation of the state-owned enterprises' operational mechanism and the government functions to manage the economy and on the central link of subjugating enterprises to the market; judge the hour and size up the situation to speed up the pace of price reform and carry out reforms in the financial, taxation, banking, and planning structures in a coordinated way; energetically develop the market system and expedite the reform of the foreign trade structure, with the focal point on the import management structure; comprehensively carry on the reform of the social security, housing, and land use systems; and

improve the level of experiments in comprehensive reform and conscientiously do the basic work for the establishment of a new structure.

[Reporter] What are the differences between the new market economic structure China wants to establish and the market economy under capitalism?

[Chen] The socialist market economic structure China wants to establish is combined with the socialist basic system. Politically, it adheres to the leadership of the Communist Party and socialist orientation; economically, it upholds public ownership (including the economies under the system of ownership by the whole people and by the collectives) as the main factor. It encourages the development of the other economic sectors (the individual, private, and foreign-funded economic sectors) and practices the principle of long-term coexistence, common development, and fair competition with various forms of ownership. It persists in distribution according to work as the main factor with other forms of distribution as a supplementary, guards against polarization, and strives to achieve common prosperity.

Under the state's effective macroregulation and control, like the market economy under capitalism, the market economy which China is practicing must abide by the common laws governing the market economy and its inherent requirements, such as the law of value, the law of supply and demand, the law of competition, and the marketing of all production elements.

[Reporter] What is the general framework for China to establish a market economic structure? When will it be completed?

[Chen] The purpose of establishing the socialist market economic structure is to enable the market to play a basic role in distributing resources under the state's macroregulation and control. Its main contents are that there must be a rational ownership structure and a modern enterprise system; state-owned enterprises manage themselves independently, assuming full responsibility for their own profits and losses and becoming main market players; prices are set by the market; all production elements are traded in the market and there must be a single and open market system; the government regulates and controls the economy indirectly; the labor, wage, and social security systems are improved and perfected; and economic relations are based on the legal system.

By the end of the 1990's, the basic economic relations between the state and the enterprises and between the central and local authorities will have been initially harmonized and the socialist market economic structure will have been initially established. On this basis, a socialist market economy, with its various aspects becoming more mature and fixed, will have been further improved, perfected, and established. The final completion of the establishment of the socialist market economic structure will take about two or three decades.



[Reporter] What about the implementation of the "Regulations on the Transformation of the Operational Mechanism of Industrial Enterprises Under the System of Ownership by the Whole People" in the last six months or so since their promulgation last year? Have state-owned enterprises improved their efficiency? Has the reform of enterprises' "three systems" hurt their employees' interests?

[Chen] The decisionmaking power in 14 aspects of the enterprises stipulated by the "Regulations on the Transformation of the Operational Mechanism of Industrial Enterprises Under the System of Ownership by the Whole People," which were promulgated last year, is now being implemented. All localities and departments are now working out specific methods of implementation. Initial achievements have been made in deepening enterprise reform and implementing the "Regulations," industrial enterprises' economic efficiency has been improved, and the tendency of a continuing decline in efficiency in the last few years has been reversed. According to the statistics of industrial enterprises with independent business accounting at the township level and above, in 1992, the comprehensive target of economic efficiency was up from 84 last year to 89, of which the tax and profit rate of funds was up from 9.7 percent to 10.1 percent; the interest rate of cost was up from 4.1 percent to 4.7 percent; and all-personnel labor productivity (calculated on the basis of net output value) was up 19.5 percent. The amount of enterprise losses dropped and the number of loss-making enterprises was reduced to 24.5 percent.

Reform of the enterprise personnel, labor, and distribution systems is conducive to separating government and enterprise functions, embodying the principle of competition, efficiency, and fairness, and promoting production expansion and efficiency improvement. Of course, these reforms have brought both opportunities and risks to employees. Nevertheless, no matter at present or in the future, the interests of the workers who work hard will get an obvious rapid increase in their incomes and their interests will not be affected.

However, overall, implementing the "Regulations" needs great efforts. Decisionmaking powers have not been delegated in some enterprises, the transformation of government functions has lagged behind, and necessary support reform measures have not been adequately adopted. This being the case, the overall effective implementation of the "Regulations" will still take a process.

[Reporter] The relatively identical view held by people in all walks of life is that the key to the failure to delegate decisionmaking power to enterprises lies in the transformation of government functions. What are your views on this issue?

[Chen] There are two reasons for the failure to delegate decisionmaking power to state-owned enterprises: These are the external environment and internal conditions. In terms of the current situation, the external environment

serves as the main reason. In other words, relatively strong government intervention in state-owned enterprises has prevented the delegation of decisionmaking power to some enterprises. Particularly, some large and medium state-owned enterprises are still undertaking considerably heavy tasks for the state and the state-set prices of a considerable amount of the means of production are a little too low; the market system is imperfect, necessary market laws and regulations are incomplete, and trading behavior is not standardized; the social security system is not sound and, in particular, the job-awaiting security mechanism is imperfect. The improvement of these external conditions in enterprises cannot be achieved by merely relying on the reform of enterprises. It should rely on government behavior. To put it another way, the government should actively coordinate and harmonize relations and make correct policy decisions. In this sense, the reason state-owned enterprises have currently not been given decision-making power, lack adequate vitality, and have failed to get involved in market competition lies, to some extent, in the transformation of government functions.

[Reporter] As China carries out reform of the enterprise and labor systems, will the jobless rate rise? How will the government solve the problem?

[Chen] The reform of enterprise and labor systems is bound to result in superfluous personnel, closures, suspension of production, mergers, and switchovers of some enterprises, and an increased number of people awaiting jobs. Nevertheless, China's tertiary industry, which is very backward, constitutes just 27.2 percent of its gross national product and the number of people engaged in the tertiary industry amounts to just 18 percent of the nation's total employees. The gap between ourselves and developed countries in this regard is very big. Hence, the potential to increase job opportunities through developing the tertiary industry is also very large. The Chinese Government has taken many measures in this aspect and made a special resolution on accelerating the development of the tertiary industry. Therefore, there was a slight drop, rather than a remarkable increase, in China's unemployment rate. The unemployment rate in cities and towns dropped from 5.6 percent in 1979 to 2.3 percent in 1991, and the rate in 1992 remained roughly the same as the 1991 level.

[Reporter] China's "Bankruptcy Law" has been promulgated for five years. Why is its enforcement not ideal?

[Chen] China began enforcing the "Bankruptcy Law" in 1988. In the five years since then, some advances have been made in promoting the readjustment of enterprise organizational makeup and selecting the superior and eliminating the inferior. During the January-October period last year alone, the people's courts at all levels tried 346 enterprise bankruptcy cases (of which 14 were cases involving state-owned enterprises) and wound up 146 cases, in which 45 state-owned enterprise went bankrupt. However, since unemployment insurance is underdeveloped and the labor service market is

unsound, this leaves much to be desired in enforcing the "Bankruptcy Law". The enforcement of the law needs the necessary support reforms to be accelerated. In terms of the bankrupt enterprises, no serious problems have ever cropped up. In the first nine months of last year, the unemployment insurance fund provided job-awaiting relief to 300,000 people.

[Reporter] Word has circulated that large and medium state-owned enterprises will practice a leadership structure which combines party and government functions. Does this mean putting an end to the practice of separating party and government functions?

[Chen] Currently, in the course of transforming large and medium enterprises and deepening enterprises reform, as far as the enterprise leadership structure is concerned, we still uphold the principle of separating government and enterprise functions, bring the role of the party organizations of enterprises into full play as the political core, uphold and improve the director responsibility system, and rely on the working class wholeheartedly. However, in different localities, trades, and enterprises, different specific methods are adopted. In some cases, the posts of the director and the party secretary of a factory are held by two persons separately and, in other cases, the two posts are held by one person.

[Reporter] China is making an effort to establish the market economy structure. How should the political structural reform be carried out in coordination with this effort?

[Chen] China is making an active effort to carry forward the reform of the political structure so that it will become congruent with economic restructuring and economic development. The main objective of political restructuring is to establish socialist democracy with Chinese characteristics; further improve the people's deputy congress system; strengthen building of the legal system; improve the CPC-led multiparty cooperation and the political consultation system; strengthen consultation on and discussion of state affairs with democratic parties; and support democratic parties and nonparty people in assuming leadership posts in state organs. This year, in coordination with deepened economic reform, transforming government functions and reforming institutions are priority tasks.

[Reporter] Would you please comment on the principles and tasks of current government institutional reform?

[Chen] The plan for the current institutional reform was drawn up in accordance with the principle of transforming functions, harmonizing relations, simplifying the administrative structure, and improving efficiency, with the priority on strengthening the macroregulation and control and supervision departments as well as the social management functional departments. Some professional economic departments, which have turned into trade management organs, will no longer directly manage enterprises and other professional economic departments, which have switched to become economic

entities, will no longer bear responsibility for trade management. Another major task is to cut the number of state office functionaries by about 25 percent.

[Reporter] As local governments now have greater and greater powers, will the power of the central authorities become too small and will they become powerless? How should the contradiction between the central and local authorities be solved?

[Chen] The delegation of economic management power by the central authorities to local authorities is an important content of reform. Provinces, autonomous regions, municipalities directly under the Central Government, cities enjoying provincial status within the state plan, open cities and special economic zones, economic and technological development zones, and new high-tech industrial development zones, currently all have certain decisionmaking powers in areas such as planning, investment, finance, some aspects of banking, and utilization of foreign capital, thus injecting new vitality and vigor into local economic development. Overall, this reform has been successful. The policy on bringing the initiative of the central and local authorities into play remains unchanged. At the same time, many enterprises will be given more decisionmaking power in investment so that enterprises in certain trades will engage mainly in the investment sector.

We also notice that the current proportion of the revenue of central financial authorities in state revenue is relatively small and the central financial departments' macroregulation and control abilities have been weakened considerably. There are still problems, such as blindly launching new projects, redundant imports, and the construction of redundant projects. All these problems should be solved by deepening reform. We will strive to pursue a tax separation system based on a clear division of the authority which controls enterprises and undertakings within a few years. The central government should use economic and legal means more frequently as well as necessary administrative fiat to effectively control national economic operations as a whole.

[Reporter] Since the government cut the number of its functionaries and encouraged office personnel to "plunge into private business," some companies jointly run by businessmen and officials have emerged. How will the government handle this issue? What measures will it take? When will the civil service system be completed? Can party and government cadres take up a second job?

[Chen] The current institutional reform is being carried out centered around the transformation of government functions. It will take about three years to roughly complete and simultaneously implement the civil service system. We encourage office functionaries to leave their offices to run the tertiary industries, go to the forefront of production and operation and, after a short transition period, they are required to completely cut off their links with their former offices by proceeding from their own



actual conditions. Nevertheless, we do not agree to the formation of companies where government and enterprises functions are not separated and officials and businessmen are united in operation. In principle, party and government cadres should not take up a second job.

[Reporter] There has been a tendency in our country toward a widening of the gap between rich and poor. What are your views on this? How will the government solve the problem?

[Chen] In our country, egalitarianism and unfairness in social distribution coexist side by side. Under the socialist market economic structure which we want to establish, the gap in personal income distribution should be appropriately widened but, at the same time, we have another important objective, and that is to prevent polarization and take the road to common prosperity. Therefore, equal consideration should be given to the principles of efficiency and of fairness. The government should mainly strengthen the collection and management of personal income tax and levy inheritance and gift [zeng yu 6362 5280] taxes by enacting laws and formulating policies. Meanwhile, the imbalance in economic development between different regions and trades should be minimized and comprehensively solved.

[Reporter] What is the relationship between state-owned and privately run enterprises in our country? What are the prospects for the development of the private economy?

[Chen] In developing the socialist market economy, China does not take the road of privatization. State-owned enterprises and the collective economy should mainly transform operational mechanism; orient themselves to the market; coexist; seek common development; and compete with the individual, private, and foreign-funded economic sectors on an equal footing for a long time.

The government encourages and supports the development of the individual and private economic sectors. At the end of 1992, China had 139,000 private enterprises with a total registered capital of 22.12 billion yuan; and 15.339 million individual industrial and commercial businesses, which had assets worth 60.1 billion yuan and employed 24.677 million people. Compared with the previous situation, they achieved relatively greater development. The government will further relax its policies and encourage the development of the individual and private economic sectors. With the exception of trades which have a bearing on state monopoly, national security, and the people's health, the individual and private economic sectors are, in principle, allowed to operate in all other trades. Meanwhile, the state will use economic policies and legal means in guiding the healthy development of the individual and private economic sectors so that they operate according to law and pay taxes in accordance with state stipulations. As far as the future proportion of the individual and private economic sectors in the country's economy is concerned, it

will undergo a constant change along with the actual development of the national economy. Nevertheless, that the state-owned economic sector plays a dominant role will not change. The current First Session of the Eighth National People's Congress revised some clauses of the Constitution and made an explicit stipulation on this issue.

[Reporter] After China regains its status as a GATT signatory state, what problems will state-owned enterprise encounter? What will it do to their competitiveness?

[Chen] After China regains its status as a GATT signatory state, state-owned enterprises will have the opportunity to enter the international market and face the challenge of international competition.

The favorable aspects are as follows: 1) The GATT will provide a relatively fair economic and trade environment for China's state-owned enterprises to enter the international market with their products, in which they can enjoy general preferential treatment and the discrimination by some countries against Chinese products will be eliminated; 2) The resumption GATT signatory state status will help China's state-owned enterprises enter the markets of the other GATT signatory states by making use of the GATT import international treatment and thus help diversify their export markets; and 3) The recovery of GATT signatory state status will help China's state-owned enterprises open up to every corner of the world; actively become involved in the international division of labor and cooperation; improve state-owned enterprises' production, operation, and management levels; and enhance their competitiveness in the international market.

The main challenge facing China's state-owned enterprises is that high demands are set on their overall quality, technological and management levels and, in particular, product quality, cost, and prices. The industries which have poor rates of return and produce poor quality but highly priced products will face strong pressure. They should actively develop technology, raise their product quality, improve their operation and management, and comprehensively enhance their international competitiveness.

#### **Zou Jiahua Explains Chang Jiang Development**

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["Special article" on interview with Vice Premier Zou Jiahua by special correspondent Li Yen (3810 6056); place and date not given: "'Chang Jiang Development Strategy' in the Pattern of China's Economic Strategy"]

[Text] In China's latest economic strategic pattern, there is an extremely important part, that is, the "Chang Jiang development strategy." A few days ago, this special correspondent interviewed Zou Jiahua, vice premier of

the State Council in charge of macroeconomic planning, who expressed his views freely on the "Chang Jiang development strategy."

#### **The Decisive "Chang Jiang Delta and Area Beside the River"**

When asked about the position and role of the "Chang Jiang development strategy" in China's economic strategy, Zou Jiahua said: The Chang Jiang Delta comprises Shanghai Municipality; the 13 cities of Nanjing, Zhenjiang, Yangzhou, Suzhou, Wuxi, Changzhou, and Nantong in Jiangsu Province, and Hangzhou, Jiaxing, Huzhou, Ningbo, Shaoxing, and Zhoushan in Zhejiang Province; as well as 74 counties (cities) under the jurisdiction of the abovementioned cities. It covers an area of 98,500 square km and boasts a population of 72 million, accounting for 1.0 and 6.3 respectively percent of the national totals. Its GNP accounts for approximately 13 percent of the country's GNP and the per capita GNP is twice the national average. There is a vast expanse of territory along the Chang Jiang, starting from Shanghai in the east and ending in Chongqing, Sichuan, in the west, including 14 cities in the Chang Jiang Delta and 14 cities and 8 prefectures along the river. The entire region covers an area of 330,000 square km and has a population of 168 million, accounting for 3.4 and 14.7 percent respectively of the national total and its GNP is close to 20 percent of the country's GNP.

The Chang Jiang Delta and the area along the Chang Jiang hold a decisive position in China's economic strategic pattern. The Chang Jiang is China's "golden waterway" and the area along the river is the link and bridge facilitating the economic contacts for China from east to west and from north to south with the vast hinterland and domestic markets. This region boasts the following remarkable geographical advantages: 1) easy access to rivers and sea due to its comparatively obvious regional conditions and port advantages which have been richly endowed by nature; 2) large hydropower and water resources and great water transport potential; 3) sound industrial foundations; 4) flourishing science and technology and numerous talented people; 5) solid foundations in commodity agriculture and township and town enterprises; 6) relatively high urban cultural standards; 7) diversified tourism resources; 8) extensive economic hinterland; and 9) a developed commodity economy. The central authorities have worked out significant strategic policies to promote the development and openness of the Chang Jiang Delta and the area along the Chang Jiang with the development and openness of Pudong in Shanghai as the dragon head. The implementation of this major policy decision will not only enable Shanghai and the Chang Jiang Delta to take the lead in becoming one of the regions which realize modernization earlier than others and contribute to effecting a new economic leap in the entire Chang Jiang valley, but will also be of extremely great significance in helping form an omnidirectional open pattern in China, in accelerating the establishment of the socialist market

economic structure, and in victoriously realizing the three-step strategic deployment.

#### **Fundamental Principles of "Chang Jiang Development Strategy"**

To conduct the development and construction in the Chang Jiang Delta and the river valley area more effectively, it is necessary to make plans with magnificent objectives which are practical, scientific, and sensible.

When this correspondent asked Zou Jiahua what the fundamental principles of the "Chang Jiang development strategy" were, he said: In accordance with the overall deployment of the country and in light of the actual situation in the Chang Jiang Delta and the river valley area, the regional economic development should abide by the following fundamental principles:

#### **I. Quicken the Pace of Reform and Opening Up**

This is the fundamental policy to make the development and openness in Pudong a success, bring about comprehensive prosperity in the Chang Jiang Delta, and invigorate the area along the Chang Jiang. To this end, we should further emancipate our minds, increase the intensity of reform and opening up, and expedite the process of new and old structural transformation. Aiming at the establishment of a socialist market economic structure that is full of vigor and vitality, and taking the transformation of enterprises' mechanisms as a focal point, we should vigorously cultivate and foster a market system, positively change government functions, and carry out other items of coordinated reform in a proper way. With regard to the allocation of resources, we should give freer rein to the role of markets, based on the markets and guided by the state's macroeconomic policies and planning. We should also accelerate the formation of an multilevel and omnidirectional open pattern with key points highlighted to advance toward the international markets even more boldly and to make fuller use of foreign capital, resources, technology, and managerial expertise. Shanghai's Pudong should fully utilize the special policies favorably granted by the central authorities and the State Council, dare to explore new ways and make experiments, and march at the head in reform and opening up. The Chang Jiang Delta and the river valley area should also quicken the pace of economic development through accelerated reform and opening up.

#### **II. Expedite Exploration of Markets and Enhancement of Economic Results**

The Chang Jiang Delta boasts favorable conditions and the conditions for faster development absolutely do exist. Other regions should also try their best to create conditions for faster development. In order to achieve this aim, an essential element is to gear to the needs of markets and to open up markets. We should not only continue to open up domestic markets energetically but also lay stress on fostering export-oriented economy, advancing toward the international markets, and giving

impetus to a benign economic cycle. In expediting economic development, we should strive for fine quality and efficiency in a solid manner. That is, we should strive to attain a rapid development featuring high quality, good efficiency, and a great adaptability to market changes.

### **III. Expedite Scientific and Technological Advances and Intellectual Development**

We should resolutely put into practice the idea that science and technology is the primary productive force and pay more attention to exploitation of intellectual resources. We should make full use of the scientific, technological, and personnel advantages in the Chang Jiang Delta to serve economic rejuvenation.

### **IV. Expedite the Change of Economic Development Mode From Extensive to Intensive Operations**

As viewed from the large population in China, our resources are quite inadequate. The Chang Jiang Delta area, in particular, is short of resources. Therefore, we must place the tasks of economizing in energy and raw and semifinished materials, reducing consumption, and raising the utilization rate of resources in very conspicuous positions.

### **V. Expedite Upgrading of Industrial Structure and Product Mix**

This is an important link for accelerating economic development. The Chang Jiang Delta should concentrate its efforts on developing an export-oriented economy; new high-tech industries; and high-quality, high value-added industries and products with high technological contents, high market share, and high foreign exchange earning capability. It is necessary for the area along the Chang Jiang to intensify resource exploitation; step up the construction of infrastructure facilities; continue to heed the development of large-scale agriculture; take the road of building high-yield, fine-quality, high-efficiency agriculture; positively develop and boost township and town enterprises; and work hard to foster and transform the processing industry. The tertiary industry should be vigorously developed in all areas and this should be placed in an important strategic position.

### **Expedite Development and Openness in Pudong, Shanghai**

Hong Kong compatriots and Overseas Chinese are following the development in Shanghai's Pudong with great interest. This correspondent asked Vice Premier Zou Jiahua to give his views on the development of Shanghai's Pudong.

Zou Jiahua said: For the development and opening of Pudong we will make a correct strategic deployment from the high plane of realizing the modernization drive in Shanghai and in the Chang Jiang Delta, and of contributing to the development and openness in the area along the Chang Jiang, in accordance with the strategic ideology of "being oriented to the needs of the

world, the 21st century, and the drive for modernization," as well as of "invigorating Shanghai, facing the entire nation, and heading for the world."

Shanghai's Pudong should make full use of the advantageous conditions through the special policies granted by the central authorities and the State Council to explore new ways and make experiments in a courageous manner and forge ahead in reform and opening up.

In line with the central guidelines, and on the basis of assimilating foreign experience and incisively studying its own situation, Shanghai has drawn up long-, medium-, and short-term objectives for developing and opening Pudong. These objectives are positive. In view of the fact that the development and openness of Pudong is the dragon head for opening the area along the Chang Jiang to the outside world, the objective situation calls for a new industrial structure with a high starting point. Hence, in Pudong's development strategy we will, first of all, give priority to the development of tertiary industry, focus the development on new high-tech industries, enhance the added value of products and the quality of product processing, and promote linkage of the economy as a whole with the international markets. We will develop mainly such industries as banking, insurance, domestic and foreign trade, real estate, information consultancy, and so on in tertiary industry; modern electronic communications, biotechnology, space and aviation, new materials, offshore gas, and so on in new high-tech industry. We will also vigorously develop the communications equipment, automobile, aircraft, integrated machinery, electrical, shipbuilding, and the export processing industries. Besides, we will develop suburban agriculture according to the requirements of integrating cities and villages as well as intensive operations.

Second, we will concentrate our efforts on the construction of infrastructure facilities and that of transportation and communications in particular. This is a pressing task for faster development and openness in Pudong, which has a bearing on the entire situation. We will accelerate the municipal infrastructure construction of a number of key projects having a direct impact on the economic development and investment environment, such as Yangpu Bridge, the gas project, the second-phase water supply project, and others, to make communications in the Pudong New District more convenient. It is all the more important that we properly grasp a number of communications and transportation projects linking Pudong with the Chang Jiang Delta and with even more distant regions, such as the Shanghai-Nanjing and Shanghai-Hangzhou expressways, the second Shanghai airport, and so on. We will gradually set up the framework of a comprehensive communications network in the Pudong with relatively complete and coordinated land, sea, and air traffic facilities in a bid to connect Pudong more closely with the major communication networks at home and abroad. We will also accelerate the construction of electricity, communications, and other



pivotal projects. From an overall and long-term perspective, in turning Shanghai into one of the world's economic, financial, and trade centers, a very important issue is the building of deepwater ports.

#### **Build a Modern Communication and Transportation System**

Finally, this correspondent asked Zou Jiahua to say something about the most crucial issue in the "Chang Jiang Development Strategy." Zou Jiahua said: Communications and transportation must proceed ahead of others. The more rapidly the economy develops, the more urgently we need faster development in communications and energy. The building of a communications and transportation system along the river is an essential key in the development and openness of Pudong in Shanghai and for the rejuvenation and prosperity of the entire Chang Jiang economic corridor. Along with the accelerated economic development and expanded openness, this issue is ever more pressing and important and priority consideration and overall planning should be given to it. We should set up a communication and transportation system with water and rail transport as the main body; fully display the characteristics of the Chang Jiang in its large cargo handling capacity, low costs, and long-distance river and sea transshipment; and intensify the construction of navigation courses. Meanwhile, we will consider building some railroads and first-class highways along the river, as well as a main traffic line running from east to west. We will also hold fast to the construction of northward and southward railroads and highways crisscrossing those in some large cities along the river and expedite the development of air transport, so that the Chang Jiang Delta and the area along the river will form a modern transportation system.

For these purposes, we must particularly grasp the following principal construction projects:

1. We will step up the construction of coastal deepwater ports in the Chang Jiang Delta.
2. We will expedite port construction along the river, harness the Beijing-Hangzhou Canal, make further efforts to develop coastal and inland water transport, and positively push forward transport undertakings in the rivers and sea.
3. We will expedite the railroad and highway construction in the Chang Jiang Delta with Shanghai as the center and Shanghai, Nanjing, and Hangzhou as the backbone, building the Shanghai-Nanjing, Shanghai-Hangzhou, and Hangzhou-Ningbo expressways to resolve the contradiction of traffic jams and inadequate transport capability. At the same time, we will speed up the construction of railroads and highways linked to other regions.
4. We will construct a transportation line along the middle and lower reaches of the Chang Jiang. In building the new railway line along the river, we will carry out multiple track railway construction and electrified

railway transformation incrementally. We will also build first-class highways along the river, section by section, thereby forming a communications and transportation line along the middle and lower reaches of the Chang Jiang comprising waterways, railroads, and highways. At the same time, we will enhance the transport capability across the river and step up the construction of several bridges across the river to reduce the adverse impact on Chang Jiang navigation from cross-river ferries.

5. We will develop the aviation undertakings; step up airport construction, personnel training, and air control and maintenance; use more helicopters and small airplanes; and increase air routes correspondingly.

In railway construction, except for that under the state's unified plan, we will energetically encourage the pattern of local railway construction such as the Guangzhou-Shenzhen Railroad, Sanshui-Maoming Railroad, Guangzhou-Meizhou-Shantou Railroad, and so on. We will also encourage railroad construction jointly by the central and local authorities and explore the method of building railroads jointly with foreign investors. In highway construction, we should also give play to the initiative of the central and local authorities.

As the interview ended, Zou Jiahua particularly stressed: In order to study and draw up regional economic development plans under the new situation of accelerated reform, opening up, and economic development, we must further emancipate the mind, enhance our strong awareness of commodity economy and of opportunity, and use the new ideas and methods of reform and opening up to study and resolve problems. It will not do to stick to convention, follow the same old rut, and adopt the worn-out methods completely according to the patterns of natural economy and product economy. We should be bold in making experiments, exploring new ways, pioneering the cause, and forging ahead aggressively under the new and changing situation. In the meantime, we should persist in proceeding from reality, seeking truth from facts, and doing our work boldly and solidly. We should not only accurately select the orientation, objectives, and areas for our efforts but also consider the possibility, capability, and conditions for implementation; combine the pursuit of high and clear objectives with a scientific and realistic attitude; and march forward with honesty and dedication.

#### **Government Develops Economic Ties With Neighbors**

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GMT 20 May 93

[Text] Hohhot, May 20 (XINHUA)—Economic and technical cooperation between China and neighboring countries has entered a new stage.

Last year 743 contracts were signed with neighbors for construction projects and labor services worth about 1.2

billion U.S. dollars, according to the sixth national meeting on economic and technical cooperation held in Hohhot in Inner Mongolia.

Up to now more than 100,000 laborers have been sent to work in the neighboring countries. The country has signed 1,623 construction and labor service contracts worth 2.98 billion U.S. dollars.

The Chinese Government attaches importance to development of economic and trade ties with the Commonwealth Independent States (CIS). Last year the Ministry of Foreign Economic Relations and Trade sent delegations to Russia, Armenia and Azerbaijan to sign bilateral governmental agreements on economic and trade cooperation, investment protection and loans and labor services.

At the same time, leaders of Russia and Kazakhstan also visited China.

The Chinese Government has adopted preferential policies for barter trade and joint ventures between China and states of former Soviet Unions. Economic and trade fairs have been held in border provinces and autonomous regions and cities of China to promote the development of economic ties with commonwealth independent states.

Last year China signed 613 contracts on construction projects and labor services with CIS countries worth 1.04 billion U.S. dollars. The actual business volume last year was 180 million U.S. dollars, and nearly 30,000 people were sent to work in cis.

China has set up 96 joint venture firms in the CIS with contract investment of 100 million U.S. dollars, 43.7 percent from the Chinese side.

China also signed 74 economic and technical cooperation contracts with Eastern European countries with a contract volume of 47.26 million U.S. dollars. Some 937 workers were working in the countries last year.

Economic cooperation with other neighboring countries such as Mongolia, the Democratic People's Republic of Korea, Vietnam and Laos has also made headway in recent years.

China and Vietnam signed 36 contracts on engineering projects and labor services with contract volume of 35.79 million U.S. dollars.

### **Three Gorges Project Invites Tenders for Equipment**

*OW1705130093 Beijing XINHUA in English 1120 GMT 17 May 93*

[Text] Yichang, Hubei Province, May 17 (XINHUA)—The Three Gorges Project, the largest ever water conservancy project in China, began to invite tenders for

large-scale equipment and installations, according to the Three Gorges Project Development Corporation of China.

The estimated static investment in the project is 57 billion yuan and more than 5,000 sets of large-scale equipment and installations will be used, including excavators, drilling and dressing machines, hoisters, power generators, water turbines, transformers, switches and ship lifts.

At present the preparatory work of the project has started and equipments and installations worth 80 million to 100 million U.S. dollars will be purchased this year.

Some of the installations will be open to overseas tenders.

### **Government Seeks Foreign Mining Investment**

*OW2105045093 Tokyo KYODO in English 0045 GMT 21 May 93*

[By Geoffrey Murray]

[Text] Beijing, May 21 KYODO—China has embarked on a drive to open up its mining industry to much-needed foreign investment. Following a comprehensive review of resources policy, the government has begun speeding up the creation of legislation covering both the exploration and exploitation of the country's vast mineral reserves by foreign mining companies.

At a recent conference staged by the Ministry of Geology and Mineral Resources, Vice Minister Zhang Wenju said China faces an urgent need to import the latest technology and foreign capital, as the mining sector lags badly in the economic modernization drive.

Until now, the minerals sector has been highly sensitive and strategic, and China has been reluctant to allow foreign companies too much involvement or freedom. Existing mining regulations have been described by foreign mining companies as "strongly nationalistic" and providing little incentive for major investment.

But all that is supposed to change under the Chinese Government's "prospecting treasure plan." Zhang promised foreign mining companies attending the Beijing conference the new regulations would "shape an attractive mineral investment climate," while protecting China's economic interests.

Draft regulations indicate the government will permit both companies and individuals to seek exploration and mining permits. Ventures can be cooperative, Sino-foreign, or wholly foreign-owned. Companies seeking an exploration permit will be restricted to a maximum area of 1,000 square kilometers for oil, gas and coal, and 100 square kilometers for all other minerals. An exploration permit will be valid for five years with renewal allowed for further two years. A mining license will be initially valid for 20 years, with a 10-year renewal available.

Details of what the foreign investors will be able to do with the minerals extracted and the government's share of the revenue they generate are still being worked out.

China is considered to have vast reserves of most minerals, but has lacked the funds and technology for extraction and treatment to take advantage of these riches. Per-capita yields of most minerals are estimated by experts to be only half the world average.

Zhang indicated that priority would be given to copper, lead, zinc, iron ore, coal, diamonds, rare earths and uranium.

At the same time, after years of procrastination, the Chinese are also throwing open the doors to increasing exploration for oil, both on and offshore. Again, a booming economy is placing a heavy strain on existing production and it is estimated that by 1995 China will become a net importer of oil. It currently produces 2.8 million barrels a day, of which about 400,000 barrels are exported.

Recently, the China National Petroleum Corp. (CNPC) called for exploration bids for five blocks covering almost 73,000 square kilometers in the vast Tarim Basin in the remote northwest, where several Japanese oil companies are already active in a joint exploration project.

Wang Tao, president of the CNPC, said China's existing oil fields were struggling to maintain production because of a lack of sophisticated equipment. He said a second round of bidding for additional areas in Tarim would be held early next year.

Based on fairly vague seismic data, the Chinese reckon the Tarim Basin contains reserves of up to 100 billion barrels and 8.3 trillion cubic meters of natural gas. Even if it eventually turns out to contain only a fraction of this amount, the region could still become one of the world's biggest oil and gas fields.

The Japanese Government has already provided a loan of 810 billion yen for oil exploration between 1990 and 1995 in this area and is being asked to almost double the amount.

In 1991, Mitsubishi Corp. loaned China 75 million dollars to explore the oil field in Tulufan Basin in the equally remote Xinjiang Autonomous Region next to Russia. The money was to buy steel pipes and other necessary equipment from Mitsubishi.

Elsewhere, the China National Offshore Oil Corp. is seeking bids from foreign oil companies to explore two areas of the East China Sea totaling 72,000 square kilometers. Tenders are due to be submitted by July for exploration starting next year.

Oil and gas exploration is also being stepped up in the South China Sea. A Japanese consortium led by Nippon Steel Corp. has just won a 190 million dollar order to provide steel pipes for one of the world's longest underwater pipelines, supplying natural gas to Hong Kong and adjacent areas of southern China. The gas comes from

the Yacheng Field some 780 kilometers away which has estimated reserves of 100 billion cubic meters.

### **Shengli Oilfield Makes Progress in Prospecting**

*OW2105052493 Beijing XINHUA in English  
0456 GMT 21 May 93*

[Text] Jinan, May 21 (XINHUA)—The Shengli oilfield, China's second largest after Daqing, has made progress in geological prospecting.

A local official said that the oilfield is being expanded after fresh strikes at Linnan, Yingxiong and Feiyantan and the verification of a number of oil reservoirs.

Located in the Yellow River delta in Shandong Province, Shengli started oil prospecting in 1964. To date more than 60 fields with several billion tons of reserves and gas amounting to tens of billions of cubic meters have been verified.

The Shengli oilfield has sunk 51 wells which have produced 480 million tons of oil and 23 billion cubic meters of natural gas.

During the last 25 years the field has generated an industrial output valued at 120 billion yuan, paid 20 billion yuan in taxes and profits to the state, and exported 10 billion U.S. dollars worth of oil.

Last year saw the oilfield produce 33.46 million tons of oil, accounting for one fourth of the country's total.

According to geologists, the Shengli oilfield is difficult to explore because of its complex geological conditions. They have developed systems to probe for reservoirs, and have been highly commended by American and Japanese geologists.

Lu Renjie, director of the Shengli oilfield administration, said the focus has shifted from exploration to production.

The oilfield has been upgraded with computers and other sophisticated technology, and experienced workers and technicians sent to help prospecting in western China.

According to Shuai Defu, the chief geologist, Shandong has an area totalling 65,000 square kilometers that may have possible oil and gas formations. These areas account for 42.8 percent of the province's territory.

Full of confidence in the future of Shengli, the director said foreign partners were welcome to invest in the development of the oil and gas resources of the Yellow River Delta.

### **Vice Minister Addresses Real Estate Seminar**

*OW2105022393 Beijing XINHUA in English  
0059 GMT 21 May 93*

[Text] Guangzhou, May 21 (XINHUA)—With the rapid development of the real estate industry in recent years, a

standard management and service system is now urgently needed for this new and very hopeful market.

This is the common understanding reached at the real estate seminar recently adjourned in Guangzhou, capital of south China's Guangdong Province.

In 1992, the country leased 3,000 pieces of land, with a total area of 22,000 hectares, representing an 11-fold increase in area over the sum before 1991, according to Mr. Zhou Ganzhi, vice minister of construction.

Commodity housing with a floor space of 428.886 million square meters was sold out in that year, a 40.4 percent increase over 1991. And 36.12 percent of the purchasers are individuals.

In the same period, the per square meter price of commodity housing averaged 1,050 yuan, increasing 30.93 percent over 1991's figure.

The boom in real estate business has left management and services lagging behind and has created disorder in some places, Zhou said.

To establish a standardized real estate market network, Zhou said that effort has to be exerted in three areas:

Some real estate exchanges have to be founded for the administration of all forms of real estate deals, focusing on administration rather than brokering service. For example, a stricter control should be imposed on land leasing to protect the interests of the state.

A complete market service system should be built to provide services such as law consultation, information and brokering.

Urgent attention should be paid to the founding of real estate appraisal agencies, and they should be independent of government bodies, Zhou noted.



## East Region

### Anhui Speeds Up Yangtze River Area Development

OW2005143693 Beijing XINHUA in English  
1209 GMT 20 May 93

[Text] Hefei, May 20 (XINHUA correspondents Wang Yan and Wang Zhengzhong) [dateline as received]—East China's Anhui Province plans to spend 50 billion yuan (about 8.77 billion U.S. dollars) over the next few years developing an economic area along the Yangtze River.

The Yangtze, the longest river in China, flows for 400 kilometers through Anhui. Along the river are Wuhu, Tongling, Ma'anshan, Anqing and other manufacturing cities. The Yangtze River economic area abounds in mineral resources including iron, copper and limestone.

Under the decades-old planned economy, however, the area became a major raw materials supplier to Shanghai and other manufacturing centers.

An Anhui provincial government official said the provincial authorities have drawn up a plan to speed up the development of the area in a bid to end the area's role as a raw materials supplier.

By the year 2000 the area is expected to produce annually six million tons of pig iron and the same amount of steel, three times the current production, 140,000 tons of crude copper, double the current amount, and 10 million tons of cement.

The official said that increased production will serve both domestic and overseas markets and meet Anhui's needs to expand its processing and manufacturing industries.

He said the development of the Yangtze River economic area will focus on roads, railways, energy production facilities and communications centers.

The area will concentrate on expanding an export-led economy, introducing overseas funds and upgrading building materials, metallurgy and petrochemical industries. It will continue to expand farming and rural manufacturing and accelerate the growth of the service sector, particularly tourism.

The Ma'anshan Iron and Steel Company, one of China's major steel producers, will complete the construction of a new furnace with a volume of 2,500 cubic meters later this year. It has begun upgrading a plant producing train tyres and has also installed two 125,000-kilowatt power generating units.

Tongling city, a major copper producer in China, has started work on a rolled copper production line, a large cement plant and a new ammonium phosphate plant.

Economists in Anhui agree that the development of the Yangtze River economic area will greatly benefit cities along the river.

Twenty foreign ships have called at Wuhu's port since it opened to foreign vessels in May last year. Wuhu Mayor Zhang Ping said that near the harbor for foreign ships a national economic and technological development zone is under construction.

To date, 51 foreign-funded firms with a total investment of 1.45 billion yuan (about 254 million U.S. dollars) have opened in the six square kilometer zone.

Mayor Zhang expects some 100 foreign-funded companies to go into operation in the zone.

He said work will start soon on a new Wuhu highway and railway bridge across the Yangtze River.

Now under construction is an expressway linking the provincial capital of Hefei to Wuhu, a top-grade road running from Hefei to Tongling and a Hefei-Anqing Railway. Construction of a highway bridge across the Yangtze at Tongling is scheduled for completion in 1994.

Fu Xishou, governor of Anhui Province, said that building the Yangtze River economic area into a prosperous economic zone is "crucial" to Anhui's efforts to gear itself to the global market.

### Fujian's Economic Expansion Continuing

HK2005145093 Fuzhou Fujian People's Radio Network  
in Mandarin 1100 GMT 18 May 93

[Text] Since the beginning of this year, inspired by the spirit of the 14th party congress and the two sessions, our province has quickened the pace of reform and opening up and, by doing solid work, has brought about rapid economic development throughout the province. A powerful development momentum continues to be displayed in all fields of endeavor, including production, construction, circulation, foreign relations and trade, and so on. Five distinguishing features of our economic operations follow:

1. Industrial production has accelerated. In the first four months, the cumulative provincial industrial output value was 23.64 billion yuan, an increase of 30.6 percent over the same period last year. Of this, April's output grew 38.6 percent, ranking third in the whole country.

2. Investment continues to focus on key industries. Of 2.798 billion of investment in fixed assets by industries under public ownership across the province, investment in energy, communications, posts and telecommunications, real estate, urban public utilities, and other infrastructure construction, accounted for approximately one-half of the total. Investment completed by 27 key projects amounted to 664 million yuan and investment in tertiary industry continued to grow by a margin of 1.5 times.

3. Sales in domestic markets increased steadily. In the first four months of this year, the volume of retail sales of social commodities across the province exceeded 11.8 billion yuan, an increase of 25.5 percent over the same period last year.



4. A new upsurge in foreign relations and trade has emerged. Since the beginning of this year, our province has absorbed large amounts of foreign capital to improve 1,537 investment projects of [words indistinct]. The contracted amount of foreign capital was \$1.947 billion, and foreign capital actually used was \$654 million. The total amount of exports came to \$1.359 billion, an increasing of 28.2 percent over the same period last year.

5. Economic results have been enhanced to a certain extent. Profits and taxes realized by state-owned enterprises listed in the budget were 1.124 billion yuan, increasing by 52.2 percent. The number of enterprises running in the red has fallen. Funds circulation has been expedited. The industrial composite index for economic results was 105.3, an increase of 16.1 over the same period last year.

### Jiangsu Government Work Report

OW1805122093 Nanjing XINHUA RIBAO in Chinese  
26 Apr 93 pp 1-2

[Jiangsu Provincial Government Work Report delivered by Governor Chen Huanyou at the First Session of the Eighth Jiangsu Provincial People's Congress in Nanjing on 15 April 1993]

[Text] Fellow deputies:

I am now going to deliver a work report to this meeting on behalf of the Jiangsu Provincial People's government. Please examine it. I also solicit opinions on this report from the members of the provincial CPPCC [Chinese People's Political Consultative Conference] committee as well as other personnel attending this meeting as observers.

#### 1. A Review of Work in the Last Five Years

In the space of five years—from the First Session of the Seventh Provincial People's Congress to the present session—the people of the province have, under the correct leadership of the CPC Central Committee and the State Council and the direct leadership of the Jiangsu Provincial CPC Committee, adhered to the party's basic line; worked with one heart and one mind; exerted themselves and forged ahead; triumphantly fulfilled various tasks set down by the Seventh Provincial People's Congress, and won major achievements in modernization construction. Those five years were five years of constant mind emancipation, of reform deepening, and of expanding the opening up. Those five years were also marked as five years of accelerated development of a readjusted national economy. During the past five years, we witnessed the strengthened building of spiritual civilization, the constant development of various social undertakings, and the further improvement of the people's living standards. The past five years were also marked by the triumphant march along the road of building socialism with Chinese characteristics.

(1) **The booming development of the national economy.** We have not only comprehensively fulfilled the "Seventh Five-Year Plan" three years ahead of schedule, but also realized major targets, including the gross national output value, national income, gross industrial and agricultural output value, exports, and in the utilization of foreign funds as set forth in the "Eighth Five-Year" Plan. The gross national output value in 1992, totalling 189.6 billion yuan, was an increase of 65.3 percent over that of 1987 and grew at an average annual rate of 10.6 percent; the national income, at 163.5 billion yuan, was an increase of 69.8 percent, and grew at an average annual rate of 11.2 percent; the gross industrial and agricultural output value, at 534.7 billion yuan, was an increase of 1.33 times, and grew at an average annual rate of 18.4 percent. **Agricultural production realized stable growth and the rural economy achieve comprehensive development.** The total annual output of grain, after having suffered several consecutive years of various natural disasters, has stabilized above 30 million tonnes; grain output reached 33.2055 million tonnes in 1992, an all-time record year; gross output of oil-bearing crops topped 1.27 million tonnes, also an all-time record; total cotton output was 527,000 tonnes, an increase of 83,000 tonnes over 1987. In the last five years, a total of 1.5 billion yuan was invested in the development of agricultural resources, and the work on increasing yields of a number of low and medium-yield farmlands and on making a mu of farmland produce one tonne of grain had been completed. Agriculture, forestry, animal husbandry, sideline agricultural products, fishery, industry, commerce, construction, transport, and service industry all experienced comprehensive development. Output value from comprehensive farming operations accounted for over half of the gross agricultural output value. Village and township industry maintained a vigorous development momentum and became the major pillar of the provincial economy; it posted an output value of 246.3 billion yuan, 2.3 times more than in 1987, and accounted for one-fifth of the gross output value of the nation's village and township industry. **Industrial production maintains sustained growth; economic effects make steady rebound.** The province's industrial output value at the village-level and above in 1992 was 35.17 billion yuan, a 1.2-fold increase over the 1987 figure and grew at an average annual rate of 17 percent. Output of major industrial products, including steel, cement, automobiles, chemical fibers, polyethylene, plastics, increased substantially. The comprehensive index for industrial and economic effect in 1992 was 93.29, a rise of 13.7 percent over the previous year, which was 3.83 percent higher than the nation's average. The construction industry made rapid development and its output value reached 21.13 billion yuan, a 1.03 fold increase over the figure of 1987. **The scale of investment was expanded and new achievements were scored in construction.** In 1992 social investment in fixed assets was 61.5 billion yuan and the accumulated social investment in fixed assets in the past five years was 18.97 billion yuan, which doubled the amount of the previous five-years. Particularly worth noting are the great strides in key

basic industrial and infrastructure projects. A number of large basic material industrial projects, including Yangtze Polyethylene and Yizheng Chemical Fiber, were completed. A number of newly started and expanded energy projects, including the Huaneng, Nantong, Xinhai, Yangzhou, Qishuyan power plants, were carried out. Newly installed generator capacity totalled 2.72 million kilowatts. Transformation of the Shanghai-Ningbo Double-Track Railroad was completed and Lianyungang port, Nantong port, Zhangjiakou port, Zhengjiang port, Nanjing port, and Yangzhou [port] were either renovated or expanded. Work on the building of the northern Jiangsu section of the Beijing-Hangzhou Canal continued. Construction of major highways, including the first-grade Ninglian Highway and the Ningtong Highway and the Jiangsu section of national highway 312, was carried out. A new airport was built in Nantong and the Daxiaochang airport in Nanjing was expanded. The total capacity of telephone exchanges for urban and rural areas reached 1.445 million sets, representing a 2.6-fold increase over 1987. Telephone calls in cities at or above county level are now fully automatic. Communications projects, including the Shanghai-Ningbo section of the southern coastal optical cable project, the seven inter-provincial optical cable trunkline transmission project, and the 900 megahertz mobile communications network project, were completed. New progress has been made in the areas of public utilities undertaking and infrastructure construction. The tasks of harnessing the Huaihe and the Taihu as well as the key conservancy project on the Xuhonghe were completed as planned. **The financial situation was basically stable and urban and rural markets were thriving and brisk.** The provincial revenues in 1992 amounted to 15.23 billion yuan, up 42.1 percent from 1987 with an average annual increase of 7.2 percent. As of the end of 1992, the deposits at banking facilities totalled 142.26 billion yuan, an increase of 95.35 billion yuan over 1987; while the loans extended by them totalled 147.04 billion yuan, an increase of 79.45 billion yuan over 1987. The difference between total deposits and total loans became smaller, with the increase in deposits greater than the increase in loans. Commodity retail sales in 1992 totalled 80.25 billion yuan, up 90.2 percent from 1987, an average annual increase of 13.7 percent.

(2) **Economic restructuring was deepened.** With the acceleration of market-oriented reform, the economic operating mechanism underwent great changes. **Rural reform was also further deepened.** Both the household contract responsibility system with remuneration linked to output as the main form and the dual management system that combines household with collective operations remained stable and kept improving. The socialized service system was further strengthened. We actively conducted experiments on specialized contracts, fairly large-scale operations, and agricultural modernization at selected places. With reform of the purchasing

and marketing systems for agricultural products, peasants were given even greater decision-making power in operations. **Enterprise reform was unfolded in an all-around way.**

Industrial enterprises generally practiced the contracted managerial responsibility system. More than 1,000 large and medium enterprises have started a system of contract for both input and output which considers their own salient features. They have simulated the operations of joint ventures, cooperative enterprises, and wholly foreign-owned enterprises, introduced the operational mechanisms of village and town enterprises, and conducted experiments on payment of tax plus a percentage of profits to the state, and on the shareholding system. A number of urban collectively-owned enterprises and village and town enterprises have started a cooperative shareholding system. Almost all commodity circulation enterprises have relaxed the control of operations, pricing, hiring, and distribution. With the change of operating mechanisms, state-owned enterprises have enhanced their vigor. A number of enterprise groups of fairly large-scale and high standards were organized. **New progress was made in building markets.** While the consumer goods market kept expanding, the capital goods market developed rapidly and markets for technology, qualified personnel, labor services, capital funds and other production factors began to grow. The market on provincial borders was thriving and brisk, and progress was made in experiments on the futures market. With more than 7,000 markets of various categories, a large market and commodity circulation structure began to take shape. **A fairly large stride was made in reforming the pricing system.** The prices of most industrial consumer goods and agricultural and sideline products were de-controlled. The purchase and sale prices of grain were brought into line with each other. The prices of some basic products and a number of fees were readjusted in a timely fashion. In 1992, 90 percent of commodity prices were decided by market forces, including the prices of 85 percent of consumer goods and 95 percent of capital goods. **Reforms of the social security system and the housing system were unfolded in an all-around way.** The coverage of old-age pension insurance continued to expand. State-owned enterprises established the unemployment insurance system for workers and staff members and started experimental reforms of the job-related injury, medical, child-birth, and social insurance systems. Some counties started rural labor insurance and old-age pension insurance. The housing system reform proceeded smoothly in cities under the jurisdiction of the provincial government, just started in counties and county-level towns, and progressed with new breakthroughs in independent industrial and mining districts. **Governments at various levels actively streamlined administration, delegated authority to lower levels, and changed their functions.** The provincial government delegated to lower levels power to approve investment in fixed assets, to use foreign capital, power over foreign economic relations and trade, and over overseas travel by government functionaries, as

well as economic administrative power over commodity prices and wages. It also gave Changshu, Taizhou and six other counties (cities) the same economic administrative powers as that of the cities directly under its jurisdiction. The provincial department of textile industry carried out an experimental reform of its economic administrative system. Certain progresses were also made in organizational reform at county and township levels.

**(3) The province opened itself wider to the outside world.** Regions in the province open to the outside world included nine cities directly under the jurisdiction of the provincial government, 40 counties (cities), and 1,250 towns. Xuzhou and Huaiyin cities spent their own funds in turning themselves into open cities. The province had built a number of national-class projects, including Nantong, Lianyungang and Kunshan Economic and Technological Development Zones; Nanjing, Suzhou, Wuxi (including Yixing) and Changzhou High-tech Development Zones; Zhangjiagang Bonded District; and Taihu Tourism and Vacation District. Some other cities [directly under the jurisdiction of the provincial government] and counties (cities) built development zones with their own funds. Some townships and towns built industrial sub-districts. The province's foreign trade volume increased by a big margin. The 1992 export trade volume was \$4.67 billion, a 120 percent increase over 1987. With pluralized export markets, we have established trade relations with more than 140 countries and regions. We have improved the quality of export products and readjusted their mix. Machinery and electric appliances, which indicate the overall technological level, accounted for 19.3 percent of our export products in 1992, as compared with 8.8 percent in 1987. **A breakthrough was made in the use of foreign capital.** In 1992, applications for 8,194 new joint ventures, cooperative enterprises, and wholly foreign-owned enterprises were approved, and they will bring the total number of such enterprises in Jiangsu up to more than 10,000. The 1992 contracts involved total foreign capital of \$7.69 billion, which will bring the total foreign capital in the province up to \$8.9 billion. As of 1992, we had actually used more than \$2 billion of foreign capital, with \$1.722 billion used in 1992 alone. **Fairly rapid progress was made in economic and technological cooperation with the outside world.** Over five years, we have signed contracts for building foreign projects and for providing labor service to foreign countries, worth a total of \$518 million. We have promoted exchanges and cooperation in various forms with the outside world. The province and various cities have established friendly relations with 47 provinces (states, counties) in 13 countries. International tourism thrived more and more, and 3,383,400 tourists from abroad have visited the province over the last five years. We continued to strengthen exchanges and contacts with overseas Chinese compatriots and those from Hong Kong, Macao and Taiwan.

**(4) Progress was made in science and technology and education, and initial success was achieved in implementing the strategy of "promoting prosperity in the**

**province through the application of science and technology."** Over the last five years, 2,101 of our scientific and technological achievements won either national or provincial scientific and technological progress awards. Of those achievements, more than 85 percent have been put to practical use, creating additional output value of more than 300 million yuan. We have established a number of major laboratories and scientific and technological development (pilot-scale experiment) bases. Our technology market grew, with total trade volume reaching 2.3 billion yuan over the last five years. The construction of a high-technology development zone (belt) along the Chang Jiang started gradually, a number of high-technology enterprises and products emerged, and a lot of progress was made in applying high-technology to transform traditional industries. The province has organized a number of major scientific research and industrial experiment projects in such major high-technology fields as micro-electronics, the integration of machine-building and electronics, modern telecommunications, biotechnology, and new materials. The province implemented nearly 400 "Torch" program projects and some 15,000 provincial or higher-class new product development projects. It also implemented more than 1,500 "Spark" program projects for the purpose of developing rural commodity economy. Progress was made in building comprehensive agricultural experimentation and demonstration bases, a number of major research projects and new technology demonstration projects were carried out, and about 45 percent of the agricultural output increase was due to scientific and technological progress. We stepped up basic science research, set up a natural science fund, and made substantial progress in soft science research, the import of intellectual resources, and international scientific and technological cooperation. Of our scientists and technicians, 35 were awarded the title of national-level, middle-aged or young expert having made an outstanding contribution, while 455 were awarded the title of provincial-level, middle-aged or young expert having made an outstanding contribution, and 1,222 received special government allowances. **Comparatively major progress was made in education.** The management system of elementary education has been characterized by "three-level school administration, two-level management, overall government planning, and participation by the public." Education funds are raised through multiple channels, with government funding as the main source. The conditions for running schools of various levels and categories have been improved to a varying extent. Elementary education basically became compulsory in 1992. Nine-year compulsory education now covers 35.6 percent of the population. Regular senior middle schools achieved good results in exploring ways to run "comprehensive senior middle schools." Secondary technical schools, now with a total enrollment of 410,000, recruited more students than regular senior middle schools did. Remarkable success was achieved in adult education, about 3 million peasants and workers received technical training each year, and 890,000 illiterate young adults became literate over the past five years. The geographic distribution,



structure, and disciplines of universities and colleges became more rational, and their efficiency was enhanced. In the five years, regular universities and colleges graduated 223,600 students. Comprehensive reform of urban and rural education gradually started across the province.

**(5) The building of a spiritual civilization and the construction of democracy and the legal system were strengthened.** We made concentrated efforts to conduct education in the theory of building socialism with Chinese characteristics; in the party's basic line; in patriotism, socialism, and collectivism; in professional ethics and social moral; in national defense; and in the law. In the struggle to combat flooding, we carried forward the spirit of taking an interest in the overall situation into consideration, also working in unity, and helping people. In addition, we launched extensive activities to build civilized units, villages, towns, and households; to promote new-style families; to build model communities and units in cooperation with the army; to support the army and give preferential treatment to families of revolutionary army men and martyrs; and to support the government and cherish the people. We built and expanded a number of cultural centers, libraries, museums, archives, radio and film establishments, and sports facilities to enliven the masses' cultural life. A number of outstanding works of literature, drama, music, dance, fine arts, television, film, journalism, and publication received acclaim from various circles. Vigorous mass sports activities were launched, and standards in competitive sport greatly improved. The province's athletes performed well at the 25th Olympics, the 11th Asian Games, and other domestic and international competitions. The province also scored important successes in theoretical research of philosophy and social sciences, enabling science to play a positive role in decisionmaking. We strengthened government legislative work, established an administrative review system, and provided law enforcement supervision and legal services. We launched different forms of struggle to prevent and curb crimes and sternly cracked down on all kinds of criminal and economic offenses. We worked hard to improve social order by strengthening comprehensive control measures and grassroots work and by eliminating social contradictions and disputes. The People's Liberation Army [PLA] units stationed in Jiangsu, the militia units, and the reserve forces vigorously supported and actively took part in local reform, opening up, and modernization, making important contributions to the creation of a stable social and political environment.

**(6) The urban and rural people's living standards further improved.** In 1992 the per capita net income of the province's rural residents was 1,060 yuan, an increase of 434 yuan over 1987. The per capita income of urban residents spent on living expenses was 1,937 yuan, an increase of 932.3 yuan. Some 1.98 million people in rural areas escaped poverty. A total of 54.38 million square meters of housing space were built in urban areas, while

340 million square meters of housing space were built in rural areas, helping to gradually improve housing conditions for people. About 46 percent of the province's urban areas were furnished with gas, and 96 percent of urban areas had tap water. The quality of drinking water in rural areas also notably improved. The rate of occurrence of contagious disease decreased. A total of 21 cities entered the ranks of national or provincial hygienic cities. New achievements were scored in family planning. The natural population growth rate was 0.895 percent in 1992. Comprehensive measures were adopted to improve the environment. Environmental protection targets set at various levels were basically achieved.

Here, it should be pointed out in particular that, inspired by Comrade Deng Xiaoping's important talks made during his inspection tour of southern China and by the guidelines of the 14th national party congress, the vast numbers of cadres and people in our province, with greatly emancipated minds and invigorated spirits, took a major step forward in reform. As a result, our economic and social undertakings developed rapidly. Our GNP rose 27 percent over the previous year, national income grew 30.5 percent, and total industrial and agricultural output value rose 43.4 percent. Investment in fixed assets at the local level rose 60.4 percent, total retail sales climbed 20.6 percent, and government revenues went up by 17.3 percent. After allowing for price rises, our urban and rural residents' income rose 9.7 and 10.4 percent respectively. Foreign exchange earnings from exports rose 35 percent, and the amount of foreign capital used under contract grew 8.8 times. It was the year of fastest economic growth since the founding of the PRC. Thanks to the joint efforts of people at all levels, a number of reform and opening measures vital to the province—including the establishment of state-level development zones, free trade zones, and foreign-funded banks—were approved by the state, and certain key infrastructural projects vital to Jiangsu's economic lifeline—including the Shanghai-Ningbo Expressway—were started. In addition, our province was selected as the site for a number of strategically important, key state construction projects, such as the "908" Project and the third-stage project of the Yizheng Chemical Fiber Plant. Further, a number of regional general and specialized markets, including the Jiangsu Foreign Exchange Regulatory Market, the Nanjing Petroleum Trading Center, and the Xuzhou Agricultural Capital Goods Wholesale Market, were either on the drawing board or had already opened. On top of this, a number of large-size, high-grade, foreign-funded projects were undertaken in our province, including the Suzhou Color Television Development Center and the Nanjing Ailixin Telecommunications Corporation. Reform and opening up were unfolding with full vigor. **Comrade Deng Xiaoping's instruction that Jiangsu "should develop at a rate faster than the national average" is becoming a reality.**

Fellow deputies, the achievements made over the past five years have not come easily. During this period, we withstood a test of political turbulence that occurred



between late spring and early summer of 1989. While maintaining social and political stability, our province tried, in light of realities in Jiangsu, to ensure the stable economic upturn by taking such effective measures as actively opening markets, guiding consumption, and restructuring the economic system. In 1991, our province experienced very severe damages brought about by floods and waterlogging. However, thanks to the leadership of and sincere concerns shown by the CPC Central Committee and the State Council, to the hard work of military personnel and people in the province, and to the great support rendered by our brethren in other provinces and municipalities, by compatriots of Hong Kong, Macao, and Taiwan, as well as by Overseas Chinese, the damages were reduced to a great extent and our economy still enjoyed stable growth in spite of the great damage in that year. In 1992, following the guiding spirit of the important speeches delivered by Comrade Deng Xiaoping during his south China inspection trip and the plenary session of the CPC Central Committee Political Bureau, we became more aware of the importance of seizing opportunities to accelerate the economic development, formulated a series of policies and measures for speeding up reform, opening up, and the drive for modernization. We took full advantage of various favorable conditions to build up our momentum and succeeded in pushing the modernization drive forward to a new stage.

Fellow deputies, all successes achieved over the past five years have resulted from the implementation of the line, principles, and policies of the party and from diligence, unity, and struggle of the people in our province. On behalf of the Jiangsu Provincial People's Government, I would like to extend our sincere thanks to workers, peasants, intellectuals, and cadres living in the province; to the PLA troops, armed police, and public security police stationed in the province; to all democratic parties, the All-China Federation of Industry and Commerce, and patriotic personages without party affiliations; to trade unions, the Communist Youth League of China, All-China Women's Federation, and other mass organizations in the province; and to compatriots in Hong Kong, Macao, and Taiwan as well as Overseas Chinese who support the modernization drive in Jiangsu.

While affirming our achievements, we recognize that some deep-seated contradictions in our social and economic life have not yet been fundamentally solved and that a number of difficulties and problems exist in the course of our progress. The cases in point are as follows: Due to its weak foundation, some potentially unstable factors may affect our agricultural production. The "scissors differential" [the differential between the costs of industrial products and those of agricultural products when the former is much higher than the latter; on statistical diagrams, the differential often forms the shape of opened scissors, hence the term "scissors differential"] between the prices of agricultural products and those of industrial products is becoming larger. In

some areas peasants have experienced slow increase in their incomes. Unreasonable and excessive burdens have dampened their enthusiasm for agricultural production; in some places, they have even abandoned farming. Industrial structure has not yet adapted to the changes brought about by the market demand. We often witness cases, in which industrial enterprises only seek for higher output value and compete with each other for higher economic growth rates. The overall economic performance is not high enough. Large and medium-sized state-owned enterprises have been slow in changing their operational mechanism and, as a result, their vitality has been low. The tertiary industry has witnessed sluggish development. Educational and other social undertakings fail to meet the need of the modernization drive. Restricting factors in capital funds, energy, and transportation are fairly outstanding. Localities have encountered financial problems and their accumulated budget deficits have increased. In a small number of places, projects of setting up economic development zones and of real estate development lack of reasonable plans, causing the waste of capital funds and land. In the process of marching toward socialist market economy, the tasks of changing government functions and improving macro-control and legal system are lagging behind. Bad work styles, such as bureaucracy, formalism, and selfish departmentalism that distance themselves from the people, do exist to various degrees in government organizations. Corruption among a few public functionaries who commit embezzlements and bribes or practice favoritism in violation of the law damages the image of the government. In the area of public order and general mood of the society, some problems worthy of our attention also exist and demand prompt solution. Except for some objective reasons, the abovementioned problems have primarily resulted from our failure to adapt ourselves to the development of the situation, from poor work style, and from ineffective measures. We should try to conscientiously solve these problems in the near future.

Fellow deputies, over the past five years, Jiangsu has achieved great successes in economic and social development. The fundamental reason for these achievements is that we have adhered to the basic line of "one center, two basic points" and that we have unswervingly put the economic development on top of our agenda by ensuring that all other work is always subordinated to and serve this central task of economic construction. We believe that it is very important to stick to the following points in our work:

**We must persist in continuously emancipating the mind.** The process of deepening reform, opening our doors wider to the outside world, and accelerating development in our province is one of continuously emancipating the mind and changing concepts. After we emancipate the mind, we will become bolder and have more ideas and methods. We must uphold the ideological line of emancipating the mind and seeking truth from facts in our work, strive to closely integrate the guidelines of the

central authorities with the situation in Jiangsu Province, and decide on the development strategy and work details that are in line with the actual situation in our province. A few years ago, we repeatedly stressed the "necessity for stability, enhancement of vigor, and development," making structural adjustments and exploring business opportunities with foreign countries the strategic priorities of our economic work. Last year, after Comrade Deng Xiaoping said he ardently expected Jiangsu "would develop more quickly than the national average," we further understood that "development is the irrefutable principle"; greatly enhanced our awareness of opportunities, development, and the need to open up new trails; proposed the development strategy of "concentrating efforts in three major areas and accelerating development in four sectors"; firmly seized the rare opportunity; and promoted rapid economic development. We must continue to emancipate our minds, seek truth from facts, deepen our understanding, dare to try and blaze new trails, insist on unity between speed and efficiency, and further promote economic development to a new level by demonstrating a strong sense of urgency and an understanding of the importance of our mission; by centering our efforts around the major issues that have cropped up in the course of reform, opening up, and development; and by continuing to act in accordance with the criteria of "three conduces" [conductive to developing a socialist society's productive forces, strengthening a socialist country's comprehensive national power, and improving the people's living standards].

**We must persist in reform on the basis of market orientation.** For a long time, planning had been a relatively small part of our province's policies. As a result, enterprises were forced to look for raw materials, make production arrangements, and promote sales on their own. Objectively, it laid a foundation for enterprises to adapt themselves to a market economy more quickly. Proceeding from such a reality, our province proposed to "further expand the scope of market regulation" earlier than others and, furthermore, defined the thinking of "forming a new mechanism of economic operation with market regulation playing the dominant role" and successively adopted a series of important measures for adjustment of prices and relaxation of control over them, thereby injecting comparatively great vitality into the economy. We must further give full play to the basic role of the market in resources disposition and solve the profound contradictions in economic life according to the requirements for the establishment of a socialist market economic system and under macroeconomic regulation by the state so as to promote rapid and satisfactory economic development.

**We must persist in exploring business opportunities with foreign countries.** Because our province is located in the coastal area and is relatively short of resources, it is very important for us to cater to the needs of the two markets and make use of two kinds of resources. Our province has always considered exploring business opportunities

with foreign countries and developing the export-oriented economy an important strategic measure and made efforts to attract foreign funds and promote foreign economic relations and trade at the same time. To meet the needs of opening our doors wider to the outside world, we proposed the strategy of developing the areas along the Chang Jiang and the East Longhai Railway as well as the coastal areas and opening them to the outside world, and defined the linkup of Jiangsu's economic development with Pudong's development and its opening to the outside world and with the international economy so as to gradually promote internationalization of Jiangsu's economy. At present, the export-oriented economy has become a new growing point for Jiangsu's economy. We must persist in exploring business opportunities with foreign countries, take an active role in international exchanges and competition, and open up a broader space for accelerating economic development.

**We must persist in relying on scientific and technological advances and on giving priority to developing education.** Compared to others, our province's science, technology, and education are more developed, and the quality of our trained personnel is better. Conscientiously following the principle that economic construction must rely on scientific and technological advances and that scientific and technological work must be geared to the needs of economic construction, we put forward the strategy of "developing our province with the aid of science and technology," drew up a series of policies and measures, increased input into science and technology, and increased the proportion of contributions made by scientific and technological advances in the past few years. We made vigorous efforts to develop education and train personnel specialized in all fields of endeavor at all levels, thereby providing support in terms of intellectual resources for economic construction. At present, because the economy of our province is facing the heavy task of accelerating development, optimizing structure, and improving efficiency, we must further enhance society's consciousness of science and technology, as well as trained personnel, and conscientiously implement various measures for promoting scientific and technological advances and giving priority to educational development, and truly shift economic construction onto the track of relying on scientific and technological advances and on improving quality of labor.

**We must uphold the strategic policy of handling two types of work at the same time.** Our province drew up the "Jiangsu Provincial Program for Building Socialist Spiritual Civilization During the 'Eighth Five-Year' Plan" and unfolded various types of activities to build spiritual civilization. They played an active role in arousing the national spirit and fostering a new civilized custom. Practice has proven that the building of spiritual civilization and a democratic legal system is an important aspect of building socialism with Chinese characteristics, as well as an important guarantee for the smooth progress of reform, opening up, and construction. The

more economic development we enjoy and the more our reform deepens, the more necessary it is for us to strengthen the building of spiritual civilization and a democratic legal system. While endeavoring to promote economic construction, reform, and opening up, as well as material civilization, we must attach importance to building a democratic legal system, cracking down on crime, and promoting spiritual civilization at the same time. We must attach equal importance to both types of work to maintain social stability and promote speeding up economic development and social progress in an all-around way.

## **2. Major Objectives and Basic Tasks Over the Next Five Years**

The five-year term of the new government is a crucial period for us to attain the second-step strategic objective of socialist modernization in an all-around way. **We should work under the guidance of Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics and the party's basic line, and seriously implement the guidelines of the 14th CPC National Congress, the First Session of the Eighth National People's Congress, and the Sixth (Enlarged) Plenary Session of the Eighth Provincial CPC Committee. We should continue to emancipate our minds, seize the opportunity, accelerate the establishment of the new economic system—a socialist market economy,—accelerate the building of a new economic structure dominated by an export-oriented economy, accelerate the creation of a new superiority on the basis of high and new technology, and accelerate the creation of economic and social prosperity. We should work hard to attain the second-step strategic objective ahead of schedule and build Jiangsu into a province with economic prosperity, developed science and education, fairly high living standards, and a civilized society.**

The main objectives for the next five years are as follows: By 1997, the gross product of the province to reach 334 billion yuan, with an average annual growth of 12 percent; export volume to reach \$15 billion, with an average annual growth of 26 percent; the share of scientific and technological progress in the cause of economic growth to reach 40 percent; the population to be kept below 72.52 million, with an average annual natural growth rate of 8.6 percent; and per capita income of urban and rural residents to actually increase by more than 7 percent. We will strive to ensure that our economic growth rate and economic efficiency are higher than the nation's average; our science, technology, and education are in a leading position in the country; the increase in our per capita income is the biggest in the country; our population natural growth rate is lower than the national average; and that progress is made in economic development.

**We should deepen reforms further and make a breakthrough in establishing a socialist market economy.** As a province where market forces play a major regulatory role, Jiangsu should strive to take the lead in establishing a socialist market economy. We should dare to and know

how to use the experience of others, including foreign experience. We should boldly try things, pioneer, and bring forth new ideas in light of our reality.

We will uphold an ownership structure embracing diverse economic sectors with public ownership, mostly state ownership and collective ownership, supplemented by the individual economy, the private economy, and the foreign-funded economy, and strive for a long, common development of them. We will enhance the vitality and competitiveness of the state-owned economy, strengthen the collective economy, and actively develop the individual, private, and foreign-funded economies. We encourage private and individual enterprises, particularly in economically less developed regions.

We should establish an enterprise system which separates government functions from enterprise management and separates ownership from managerial authority. We should implement in an all-around way "Enterprise Law," "Regulations on Transforming the Operational Mechanisms of State-Owned Industrial Enterprises," and Jiangsu's "Detailed Rules for Implementing the Regulations." The shareholding system is a form of enterprise organization which meets the development of the market economy. Through practicing the shareholding system and using foreign capital, we should basically complete the change of operational mechanisms of large and medium state-owned enterprises, make them truly enter the market, and turn them into corporations and major market competitors which have full authority for their own management, assume sole responsibility for their own profits and losses, develop themselves, and exercise self-restraint. Some small state-owned enterprises may be leased out or sold to collectives or individuals.

We should establish a unified, open, and orderly market system and pricing system governed by adequate laws and regulations. We should cultivate and build markets of various functions, with the emphasis on building a number of regional markets which give play to Jiangsu's superiority and yield certain influence on the whole country. We should establish and develop high-level markets, such as exchanges, central wholesale markets, futures markets. We should pay attention to developing and improving markets for banking, labor services, technology, information, and other production factors. We should straighten out the pricing system and the price management system, and establish a pricing mechanism which relies mainly on market forces to regulate prices.

It is necessary to further reform the labor and wage systems and to improve the social security system. We should reform the labor and employment systems in order to gradually enable enterprises to recruit workers independently and individuals to choose their own jobs. We should reform the wage system to set up step by step mechanisms for wage increases that are suited to the characteristics of various enterprises, institutions, and government organizations. We should continue to



expand the scope of social security and increase the number of those insured so as to establish a unified social security system. We should accelerate the housing reform and gradually commercialize housing in cities and towns.

It is essential to change the functions of the government in economic management and to practice macroeconomic management with the stress on indirect regulation and control. All the functions and powers that should be exercised by enterprises according to state laws and regulations must be exercised by them. The main function of the government is to make overall planning, grasp policy, give information and guidance, do organizing and coordinating work, provide services, conduct inspections, and exercise supervision. We should effectively strengthen macroeconomic regulation and control, make comprehensive use of various economic means, improve the system of economic and technical laws and regulations and the system of social supervision. At the same time, we should supplement such economic means with necessary administrative means so as to form a market environment and order under which fair competition can be conducted. We also should strive to optimize the economic structure and to bring about coordinated economic development. According to the arrangements made by the central authorities, we should accomplish the task of reforming government organizations within three years.

**We should open wider to the outside world and accelerate the process of internationalizing Jiangsu's economy.** Our province is in the forefront of opening to the outside world. We should make full use of Jiangsu's favorable conditions as a province along the coast and Chang Jiang and open it wider to the outside world in order to promote the further development of our export-oriented economy.

We should do a good job in running development areas of various types. According to the requirements for "high standards, flexible mechanisms, strict management, and strong leadership," state-level development areas should be built into "experimental areas" for the market economy, "demonstration areas" of high- and new-technology industries, and "link ups" with the international economy. Proceeding from the requirements for opening up and from our actual conditions, we should build a number of provincial-level development areas by following the "Kunshan path." We must succeed in building development areas, with the stress on practical results.

We should persist in developing foreign trade, attracting foreign capital, and strengthening economic relations with foreign countries at the same time. We should pursue the strategy of diversifying our markets and emphasizing product quality. The increase of exports should be greater than the increase of agricultural production, and it is necessary to raise the proportion in the gross national product of foreign exchange earned through export. We should delegate export-trade powers

to more enterprises with favorable conditions and allow more production enterprises to directly participate in international trade. We should expand our fields for use of foreign capital and the scales of joint ventures and raise standards for projects. While continuing to boldly use foreign funds to transform existing enterprises, we should actively guide foreign capital to invest in key infrastructural facilities and projects for the development of resources as well as in commerce, banking, real estate, tourism, and other tertiary industries. We should encourage more enterprises to invest abroad and to engage in transnational business. We should set up a number of appropriate-scale overseas investment enterprises which are up to certain standards, and train a number of managerial personnel capable of developing business abroad, and form a multi-functional network of regional and international trade.

We should quickly integrate and connect our economy with the international economy. We should establish a system of policies, laws, and regulations meeting the requirements of the socialist market economy and conforming to international trade norms. We should set up and improve offices of lawyers and accountants dealing with matters concerning foreign firms or nationals as well as offices handling foreign businessmen's appeals and consulting offices for foreign firms or nationals. We should effectively increase the ability of both governments and enterprises to operate according to international rules.

**We should promote scientific and technological progress and readjust and optimize production structure.** In order to maintain a rapid economic development for a long time, we must attach great importance to improving overall economic quality. For a period to come, we should pay attention to two things: One is to give high priority to strengthening such weak links as agriculture, infrastructure, basic industries, and tertiary industry. The other is to apply advanced technology in transforming traditional industries and accelerate industrial application of high and new technology.

It is necessary to persistently put agriculture above all else and develop rural economy in an all-around way. A steady agricultural development is of extreme importance to economic development as a whole. We must not overlook at any time the fact that agriculture is the foundation of economy. We should establish the notion of large-scale agriculture. We should accelerate the readjustment of agricultural structure, stabilize the production of grain and cotton, grow more cash crops, and vigorously develop a diversified economy according to market demand; and we should take the road of good quality, high yield, high efficiency, and more foreign exchange earnings. We should actively advance agriculture through the application of science and technology and promotion of education. We should promote agricultural mechanization, develop a fairly large-scale agricultural operation, raise agricultural labor productivity and overall level of production, and accelerate agricultural modernization. We should increase agricultural



investment through various channels, step up the construction of irrigation and farmland capital construction projects, and do a good job in comprehensive development of agricultural resources. We should treasure and conserve the land, strictly ban illegal use of cultivated land, and establish basic farmland reservations. We should continue to deepen rural reform in accordance with the requirements of socialist market economy. We should uphold and improve the household contract responsibility system with remuneration linked to output as the main form, as well as the dual management system that combines household with collective operations. We should vigorously develop the socialized service system of various forms, accelerate the reform of rural commodity circulation system, develop markets for agricultural products of various categories, and invigorate rural banking activities. In developing and improving village and town enterprises, we should pay attention to enhancing their standards, increasing their size, making them export-oriented, raising their economic efficiency, and give play to their flexibility. We should pay attention to reorganization, merger, rational geographic distribution, and relative concentration; develop enterprise groups; and enhance the benefits of large-scale operation and grouping.

It is necessary to step up the construction of infrastructure and basic industries and build up our capacity for sustained economic development. To meet the needs of accelerating economic development and opening wider on every side, we should give great prominence to the construction of transport, energy sources, telecommunications, and urban infrastructure projects. We should build a comprehensive transport network with trunk highways and railways as its main frames; Chang Jiang and the Beijing-Hangzhou Canal as its main passages; and important airports, seaports, river ports, and highway and railway stations as its main hubs. We should develop postal and telecommunications services and enhance our comprehensive communications capacity in anticipation of future needs. We should adhere to the principle of stressing both development and conservation, step up the construction of energy source projects, do a good job in rebuilding and expanding a number of coal mines, build a number of large, modern power plants, and strive to lower energy consumption. At the same time, we should actively develop nuclear power generation. We should strive for "electric power supply to every village and achieve automation in telephone services in every township" by 1995. We should complete the harnessing of Huai He and Tai Hu, and other key water conservancy projects, build the Tongyu He project, and enhance our ability for flood prevention and water transport. We should keep track of advanced international technological level and promote the technological transformation of our traditional pillar industries, such as textiles, light industry, metallurgical, and building materials industries, as well as the technological transformation of our key enterprises. We should accelerate the assimilation and use of

imported technology, and produce a number of technology-intensive and finely processed products of high added value. A further step should be taken to strengthen the dominant role of petrochemical, electronics, and machine-building industries, accelerate the development of automobile industry with light cars as its main products, and strive to create a new superiority in industrial development.

We must go all out to develop the tertiary industry. While improving communications and transportation, posts and telecommunications, science and technology, and education, we must continue to develop such traditional industries as commerce and the service industry; vigorously develop new industries such as banking, insurance, real estate, tourism, and entertainment; and develop key intellectual professions such as legal services, accounting, auditing, information, and consultation services. We must gradually open the service facilities of enterprises, institutions, government departments, and organizations to the general public, and when conditions permit, gradually transform existing tertiary industry units, which operate as public utilities, welfare organizations, and institutions, into real businesses. We must rely on forces from all sectors of society to develop the tertiary industry at multiple levels and through various channels to increase its proportion in the gross national product to the national average within five years.

We must implement the strategy of "developing the province with the aid of science and technology" in an all-around way. We must give full play to our province's scientific and technological superiority; map out a reasonable plan for fundamental research, applied research, and technical development; promote close integration between production and education and between production and science and technology; and expedite the process of turning scientific and technological achievements into concrete productive forces. We must promote the application of new high technology in production; create a number of hallmark projects with new high technology development zones as the core and with the "zone covered by the Torch Plan" as the axle, gradually expanding the scale of such projects and giving full play to their role in guiding economic construction. We aim to form a production structure with new high technology as the leading factor and to propel Jiangsu to the nation's forefront in the overall level of applying new high technology in production in five years.

**We must vigorously develop social undertakings to promote social progress in an all-around way.** Although our province has a comparatively good educational and cultural foundation and has enjoyed comparatively rapid development of various social undertakings in recent years, quite a number of new situations and new problems have appeared. In particular, competition regarding trained personnel has become increasingly fierce. The former favorable condition enjoyed by our

province regarding trained personnel is confronting a serious challenge, and we must attach a high degree of importance to it.

It is necessary to make the work of developing education and cultivating various personnel at all levels a top-priority, strategic position. We should comprehensively carry out the party's educational principle and the "program for China's educational reform and development" in a bid to enhance our school standards and educational quality in an all-around way. We shall proceed from Jiangsu's present foundation and practical needs to popularize nine-year compulsory education and basically eradicate illiteracy among young and middle-aged people by 1995. Active efforts should be made to promote preschool education, and we should pay attention to basic education for children. Schools, families, and society should be cooperative and show their concern for the healthy growth of future generations. In addition to adult education, we should take active measures to develop professional and technical education, each with its own characteristics. We should do a good job in promoting continuing education for those who already have jobs. We should actively promote higher education, further readjust the geographic distribution of schools and branches of learning, run a number of key colleges and universities and key disciplines well, and strive to make them key schools and state projects. We should continue to deepen reform of the educational system. We should make substantial progress in reforming school management, educational administration, and student enrollment and placement, and in integrating professional and technical training with industrial production.

We should adhere to the orientation of "serving the people and socialism" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," inherit and carry forward the fine traditional national culture, and energetically absorb the achievements of the world's advanced civilizations. Further steps should be taken to develop cultural undertakings. Our literature and arts, press and publications, and radio and television broadcasts should provide more and better nourishment for the mind and cultural services to the people. It is necessary to build more cultural facility projects and increase grass-roots cultural centers to enrich the cultural lives of rural and urban residents. We should promote philosophical and social sciences and strive to enhance research standards by striving to explore major issues that crop up in the course of economic and social development.

We should strive to enhance public health and promote physical culture. We should actively improve medical and health care, step up the building of the third-echelon rural medical and health care network, and basically offer primary health care to everyone. We should also pay attention to and support handicapped people and continue to improve their living and working conditions. It is necessary to launch various athletic activities for the masses, raise the standards of our competitive sports,

and strive to prepare for and earnestly and properly host the Third National Urban Games to be held in Jiangsu.

It is necessary to conscientiously and appropriately handle work regarding family planning and environmental protection. We should continually implement the existing policies and relevant local regulations governing family planning; persistently implement the system of responsibility for meeting the targets; emphatically do a good job in family planning for rural areas, and among the floating population; control the population's quantity; and improve its quality. We should pay attention to work concerning women, children, and the elderly. We should persist in simultaneously formulating and implementing the plans of economic development, urban and rural development, and environmental advancement; and make progress in them at the same time. We should implement the system of responsibility for meeting environmental protection targets in urban and rural areas; and actively practice centralized pollution control to raise efficiency in fighting and preventing pollution. Additionally, we should further expeditiously afforest the plains and improve the ecological environment.

We should earnestly step up the building of socialist spiritual civilization and the democratic legal system. The development of a market economy and opening wider to the outside world have made new requirements on the spiritual civilization drive. We should integrate the Chinese nation's fine tradition, socialist professional ethics, and the contemporary spirit characterized by willingness to sacrifice; extensively and comprehensively carry out, among the broad masses of cadres and people, education in patriotism, collectivism, and socialism; strive to initiate the pioneering spirit required for the modernization drive; strengthen national self-esteem and self-confidence; raise our sense of historic mission and responsibility; nurture and bring up a new generation of people who have high ideals, moral integrity, a better education, and a strong sense of discipline; and raise the people's cultural level and society's civilization standards. Additionally, we should actively promote the development of socialist democracy; strengthen the socialist legal system; and protect the people's rights as masters of their own affairs. For the sake of the socialist market economy, we should improve relevant regulations and stipulations and use legal means to regulate various economic relations.

**It is necessary to utilize local areas where we are superior and promote coordinated economic progress.** Relatively large differences exist between north and south Jiangsu, and economic progress in the two regions are uneven. To facilitate rational regional economic programs, we have, after conducting studies and research, outlined an economic development program for seven cities along the Chang Jiang and four cities in north Jiangsu. The provincial and local governments should earnestly organize their efforts to implement the program, make appropriate adjustments in accordance with local conditions, utilize their respective superiorities, and ensure that

north and south Jiangsu complement and supplement each other for common development.

It is necessary to expeditiously develop and open up areas along the Chang Jiang to do a better job in quickly propelling Jiangsu's economic progress to another new high. Actual advantages of Jiangsu's economic progress lie in areas along the Chang Jiang, where there are developed economies, advanced science and technology, a convenient communications network, and clusters of cities and towns. In support of the development and opening up of Shanghai's Pudong, we should actively create a network of industrial zones near urban centers along key communications routes. We should stress building the new high-technology industrial belt along the Shanghai-Nanjing Railway and the basic industrial belt along the Chang Jiang to raise their impact on Jiangsu's economic progress.

We should make vitalizing northern Jiangsu's economy an important strategic mission. There is great potential in northern Jiangsu, which has abundant port, marine, and beach resources along the coastal areas, and more favorable conditions for introducing investments from abroad and establishing lateral ties at home along the eastern stretch of the Lanzhou-Lianyungang Railway, following the construction and opening of the new Asia-Europe Continental Bridge. The area along both sides of the grand Beijing-Hanzhou Canal, with many lakes and relatively rich mineral deposits, is Jiangsu's important base for agricultural and sideline products. We should accelerate the development of northern Jiangsu, the coastal areas' economic belts, the eastern stretch of the Lanzhou-Lianyungang Railway, and the grand Beijing-Hangzhou Canal, so that we can translate our potential into practical advantages, open wider and farther to the outside world, and push the province's economy to a new level. We should build a major communications network as soon as possible by completing the construction of first-class highways linking Nanjing with Lianyungang, Nantong, and Yancheng and the renovation of the Nantong-Ganyu Highway and the Xuzhou railway hub, as well as the double-tracking of the eastern stretch of the Lanzhou-Lianyungang Railway. Besides, we should speed up construction of the Jiangsu stretch of the Xin-Chang Railway and carry out the preliminary groundwork necessary for the construction of a first-class highway linking Xuzhou and Lianyungang. While making efforts to gradually build a string of seaports along the coast, special attention should be given to completing the ongoing projects in Lianyungang to improve their comprehensive port functions. Propelled by such activities as crude oil transshipments, the pace of development in Lusigang is expected to be quickened. It is necessary to step up preliminary groundwork necessary for the development of such ports as Dongyangkou, Dafengwang, Sheyang, Zhongshan of Binhai, and Guanhekou. We should actively arrange a host of key projects, and, on the basis of improving existing major energy and raw material projects, systematically develop basic industries, including petrochemical and metallurgy, and

nuclear power construction. We should vigorously do a good job in opening up various marine, beach, and mineral resources and exploit them comprehensively; and we should make further efforts to help poor areas by encouraging economically developed areas to, via south-north linkage, back them up by providing qualified personnel, technology, and management experience. It is hoped that such moves will markedly change the face of these poor counties and townships.

### 3. Major Tasks for 1993

This year, the government's central tasks remain accelerating reform, opening up, and the modernization drive, as well as promoting economic development in a faster and better manner. We must continue to emancipate our minds, seek truth from facts, seize the opportunities, forge ahead amid victories, mobilize all positive factors, give full play to Jiangsu's potential and superiority, guarantee more than 12 percent growth of the gross national product over the preceding year, develop various social undertakings at a faster pace, continue to improve the livelihood of both city dwellers and villagers, and take a new, greater step in our modernization drive.

#### (1) Guarantee steady growth of agricultural production.

Because this year is the first year that prices of major agricultural and sideline products and their operations will be fully liberalized, we should practically strengthen leadership over agriculture, conscientiously implement the state's basic policy on rural areas, and attach greater importance to and appropriately resolve new problems related to agriculture and the rural economy. We should quicken the pace of reforming the circulation system for agricultural products, guide and help peasants enter the market, improve the method of ensuring the supply of the three promised items [chemical fertilizer, diesel oil, and earnest money] in connection with grain and cotton sales, actively raise regulatory funds against risks in grain and cotton production, establish a multilevel reserve system, and implement the minimum guaranteed procurement price for grain and cotton and the ceiling price for agricultural means of production. We should, through various channels, raise funds for the procurement of agricultural and sideline products, ensure their timely availability, and never issue IOU's again. To realistically lighten the peasants' burdens, we should be determined to make great efforts to straighten out, at all levels, various unreasonable financial apportionments, fund-raising, and fees, making sure that accumulation and retention of common funds will not exceed 5 percent of the peasants' per capita net income of the preceding year. We should stabilize grain and cotton production, guarantee planted acreage, implement measures aimed at increasing production, and ensure a bumper agricultural harvest by every possible means. We should energetically diversify our operations, concentrating on the 10 main bases, which include rearing hogs with lean meat and planting fruit; increase agricultural input; strengthen capital construction of irrigation works; transform 2 million mu of medium and low-yield fields;



and develop 1 million mu of new rice fields with one tonne rice production per mu. We should continue efforts to harness the Huaihe and the Taihu, as well as certain sections of the Chang Jiang, and commence construction work on the Tongyu He. In addition, we should strengthen farmland protection, reclaim land between 100,000 and 150,000 mu, actively develop village and town enterprises, and support northern Jiangsu in accelerating development of its rural enterprises in accordance with the spirit of "The State Council's Decisions on Accelerating the Development of Rural Enterprises in the Central and Western Regions."

**(2) Efforts must be made to upgrade industrial development.** Production and operations must be organized according to domestic and overseas market needs. Outmoded commodities must be replaced faster, support should be given to producing popular goods and famous products of good quality, and production of unmarketable goods must be strictly controlled. Great efforts must be made to explore new markets so that our industrial goods can increase sales and account for a larger market share. Modern measures for quality control must be adopted, and a system compatible with the market economy must be established to oversee quality and crack down on counterfeit and shoddy goods. Enterprises must make efforts to stop operating in the red, to increase surpluses, and to control production of unmarketable goods; and efforts must be made to prevent any more "debt chains." Enterprises must also make penetrating and sustained efforts to increase output and revenues and conserve resources and expenditures so that all economic and technical targets will be successfully fulfilled. We must improve the allotment of all important production elements and take various measures to deal with shortages in capital, energy, and transportation services. We will intensify power construction and operate power facilities with a generating capacity of 1.65 million kilowatts. Enterprises must continue to promote technological upgrading and restructuring, and we will give priority to developing 100 major new products and completing 100 major technical reconstruction projects. We will establish 100 enterprise groups, each yielding at least 100 million yuan in output, and 15 other enterprise groups, with each yielding at least one billion yuan in output. To demonstrate group strength, medium-size and small enterprises must speed up with their reorganization and partnership. The construction industry must improve its business management and overall efficiency, continue to expand its operating capacity, explore the domestic and foreign construction markets, and develop multilateral operations to achieve higher economic returns.

**(3) Build a stronger infrastructure and undertake the tertiary industry.** In communications, the province will complete its annual plans for the construction of the Shanghai-Nanjing Expressway and three first-grade highways—the Nanjing-Lianyungang, the Nanjing-Tonghua, and the Nanjing-Yancheng Highways—start improving the canal in southern Jiangsu, build the Jiangyin

Highway Bridge across the Chang Jiang and the new Nanjing Airport, and continue with the construction of the Linyi-Huaiyin Railway. Great efforts will be made to develop local air services and increase the number of flights. Continual efforts will be made to plan the construction of coastal ports. Efforts will be intensified to accelerate the construction of key telecommunications projects and set up program-controlled telephone and beeper services in all counties (cities) so that all parts of Jiangsu will be linked by a telecommunications network. Portable telephone services will be established in all cities under the provincial government's jurisdiction, direct calling services will be available in all parts of Jiangsu, and more telephones will put into use in the province. To promote higher development of tertiary industries, we will give full scope to the roles played by all economic elements so that tertiary industries can grow 20 percent or even higher annually. Major cities, communications centers, and border areas should demonstrate their strengths and develop their tertiary industries according to local conditions. Urban industrial enterprises that are unable to reverse their losses, or that cause serious and uncontrollable pollution, will be encouraged to change their business and switch to tertiary industries.

**(4) Actively promote scientific, technological, and educational development.** Focusing on economic restructuring and achieving higher economic returns, great efforts will be made to promote scientific and technological development. The province will organize the launching of 100 "Torch" plans, sponsored by provincial or higher authorities, help establish 100 high-technology enterprises and develop 1,000 high-technology products, and help the high-technology zone along the Shanghai-Nanjing Railway achieve initial development. The province will promote the application of results from 30 major research projects, oversee the brainstorming of 20 major scientific and technological projects and 10 experimental industrial projects, and oversee the construction of 10 engineering research centers and some bases for conducting intermediate experiments. We will conduct demonstrations to promote the application of advanced agricultural techniques, fine seed strains, and major new products for agricultural use. Research units will be encouraged to form partnerships with production departments to establish and develop a number of technologically advanced enterprises and villages for demonstrating the use of advanced science and technology. Great efforts will be made to nurture the development of technology markets with transactions exceeding one billion yuan.

While intensifying basic education and the fight against illiteracy, nine-year compulsory education will be carried out in 28 counties (cities), districts, and 420 townships (towns) to wipe out illiteracy among 400,000 young people and adults. Efforts will be made to speed up the development of vocational and technical education, adult education, and higher education. Comprehensive educational reform will continue in cities and rural



areas. Positive measures will be taken to increase investments in education, to stabilize the ranks of teachers, and to intensify teacher training.

Efforts will be made to improve intellectuals' work, study, and living conditions. Through deepening reform of the personnel and remuneration systems, incentive-related mechanisms will be commonly established to reward scientists and technicians with exceptional contributions, as well as outstanding teachers and other professional technicians. We will encourage talented personnel to move from place to place so that they can give full play to their roles in modernization. While attaching importance to hiring intellectuals, active measures will be taken to encourage foreign-educated students to work in Jiangsu.

**(5) Step up the pace of reform and opening up.** We should further separate the functions of the government from those of the enterprise; earnestly delegate power to enterprises so that they can handle their own affairs; and deepen reform of the labor, personnel, and distribution systems in enterprises. We should increase the number of large and medium-sized state enterprises selected to experiment on the shareholding system to over 10 percent of the total and select a group of large enterprises to practice the general contract system of input and output. Some enterprises with the necessary conditions should be selected to experiment on the system that requires tax payments plus a percentage of profits to the state. The shareholding and cooperative system will be promoted among collectively owned enterprises and village and town enterprises. We should accelerate market construction; emphatically develop markets for technology, labor services, finances, and other production factors; establish pilot futures markets; and cultivate brokers and agents. We should step up the pace of pricing reform and continue to readjust and decontrol prices of a number of key commodities (charges). The proportion of decontrolled prices in the sales of consumer goods should exceed 90 percent, or 95 percent, if possible. We should continue to promote reform of the social security and housing systems; improve measures for reforming workers' unemployment, old-age pension, and job-related injury insurances, as well as the medical care system; and further deepen reform of the housing system by doing a good job in developing and building economical and practical houses.

We should further expand foreign trade, vigorously explore new markets while maintaining and developing existing ones, and set the target of export earnings at \$5.5 billion this year. We should utilize more foreign funds in a better way; the amount of contractual foreign capital for the year is targeted at \$8 billion, \$2 billion of which should be practically used. Foreign-funded enterprises must be run successfully, and efforts should be made to create more operating businesses, export earnings, profits and taxes, and to put more domestic and foreign funds in use. We should promote cooperation among a number of our large and medium-sized state enterprises and some large enterprises and multinational groups

abroad in the form of joint ventures and encourage qualified enterprises to set up trading offices and run enterprises outside Jiangsu. We should establish overseas economic and trading networks by first setting up four pivotal enterprises in Hong Kong, Hamburg, New York, and Kenya—four centers that will cover certain nearby areas, in addition to local markets. We should strengthen enterprise competitiveness in international markets and vigorously prepare for reentering GATT. We should make full use of Jiangsu's abundant tourist resources, accelerate the development of international tourism, and be ready to receive 900,000 tourists from abroad.

**(6) Advance the construction of spiritual civilization, democracy, and the legal system.** The construction of spiritual civilization should permeate through the construction of material civilization and all fields of social life. We should arm the large masses of cadres and people with the theory of building socialism with Chinese characteristics, with the current situation and tasks being taken into consideration. We should launch activities for promoting quality services, good public order, and a beautiful environment, as well as activities for creating civilized units and joint military-civilian and police-people efforts to build spiritual civilization, with a view to establishing fine professional and social ethics. We should further improve and implement cultural and economic policies, include the construction of cultural facilities into general planning, and increase investments through various channels to promote the thriving development of cultural undertakings. We should lay equal stress on the thriving and rectification of cultural market by continuing the "antipornography" campaign and cracking down on illegal publishing activities.

Governments at various levels should conscientiously accept supervision by people's congresses and their standing committees at the corresponding level. We should also ensure that the CPPCC committees, various democratic parties, industry and commerce federations, and other mass organizations play their parts in political consultation and democratic supervision. Furthermore, we should seriously handle various proposals, motions, criticisms, and suggestions made by people's congress deputies and CPPCC committee members, institutionalize democratic decisionmaking and democratic supervision, and make them follow established procedures. We should seriously do a good job in work for foreign, nationalities, religious, and Overseas Chinese affairs, as well as Taiwan-related work. We should strengthen ties with mass organizations, including trade unions, communist youth leagues, women's federations, and associations for science and technology. We should improve the work of handling letters people send and the complaints they make when they call. We should listen to appeals from the masses, pay attention to their difficulties, and forge close ties with them. Facing new situations and new problems in the new period, we should know how to correctly handle contradictions among people and pay attention to safeguarding and enhancing

the cadres' and people's enthusiasm. We should improve the system whereby administrative decisions are reconsidered; and safeguard, in accordance with laws, the legitimate rights and interests of enterprises, citizens, corporate aggregates, and other organizations. We should continually intensify education on the legal system and regulate social behavior with laws. We should comprehensively improve the social order in an all-around manner; strictly crack down, in accordance with laws, on various serious criminal activities and economic crimes; crack down, in accordance with laws, on the abduction and sale of women and children, on prostitution and patronizing prostitutes, and on illicit drug dealings and addiction; and resolutely eradicate various social evils to establish a good social order. Meanwhile, we should strengthen education on national defense involving all citizens; pay attention to and support construction and reform of the People's Liberation Army's units garrisoned in Jiangsu; and properly perform tasks concerning militiamen and reserve service. Additionally, we should deepen double-support activities and consolidate and enhance unity between the Army and the government, and between the Army and people. We should also strengthen development of the people's armed police and public security and state security departments to safeguard social stability.

**(7) We should strive to improve people's living standards.**

As the national economy develops more quickly and more efficiently, we should enable urban and rural residents to have a relatively quick increase in their incomes and attain more actual benefits. We should do realistic work for the broad masses of people, be concerned for and make proper arrangements for their livelihood, control the extent of commodity price increases, and continually improve people's living standards. We should continue to properly perform tasks on providing assistance to the poor and on providing work as a form of relief; enable 300,000 people to shake off poverty within a year; and implement various measures to ensure that the peasant per capita annual income will rise more than 100 yuan. We should accelerate housing construction for urban residents and improve their housing conditions. While giving priority to basically resolving housing problems for "specially impoverished families," we should continually solve poor families' housing problems. In the meantime, we should do a good job in developing public urban utilities, including water supply, sewerage, roads, and public transport. It is necessary to strengthen the planning and administration of urban and rural development. We should intensify environmental protection in urban and rural areas; strive to tackle the problem of "three wastes"; and strictly control new sources of pollution to improve the urban and rural environment. We should deepen the patriotic health campaign in urban and rural areas; provide better medical and public health services; and strictly control various contagious diseases from developing and spreading. We should continue to do a good job in launching the campaign of building hygienic cities. We should earnestly implement the system of responsibility for

meeting family planning targets and pay special attention to improving population control in backward areas. We should strive to launch athletic activities for the masses and improve their physiques. Furthermore, we should endeavor to raise the standards of competitive sports and strive to achieve good results at the Seventh National Games in 1993.

**(8) We should make every effort to promote reform of government organizations.** In his "Government Work Report," Premier Li Peng called for reforming government organizations. In accordance with unified central arrangements, we should move expeditiously to draft a plan based on our findings from investigations and studies, a review of our experience, and experiments. We will then submit our plan to the provincial people's congress or its Standing Committee for examination and approval. The basic idea for institutional reform is to change government functions, rationalize relations, streamline administration, and improve efficiency in keeping with the need for creating a socialist market economy, and in accordance with the principles of separating government administration from enterprise management and of achieving "simplification, uniformity, and efficiency." We should strengthen key departments in charge of macroeconomic regulation and control, supervision, and public administration. We should change some special economic departments into industrial management organizations or economic entities. We should trim organs within government departments and reduce relevant personnel. We should streamline organizations while working to improve their personnel structure and quality. We should expand our experiment with institutional reform at the county level as we work to create a "slimmed-down government which provides extensive service." We should also make earnest efforts to fortify primary government organizations.

We should continue to change our way of thinking and work style. We should also constantly improve our policymaking capacity and professional skills as we try to make our policymaking process scientific and democratic. We should promptly study new circumstances stemming from our economic activities and earnestly solve new problems. We should fight against bureaucratism and formalism to better serve the grass roots, production needs, and the people. We should also continue to strengthen clean administration while running the government strictly. We should make every effort to remedy unhealthy practices in all lines of business and wage a persistent struggle against corruption. All government functionaries should be honest and self-disciplined. Leading cadres, in particular, should act exemplarily and serve the people well.

Fellow deputies, speeding up reform, opening up, and modernization represents a clarion call of the times and a common wish of the people in Jiangsu. Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and by the party's basic line, we should rally more closely around the party Central Committee, with Comrade Jiang Zemin at the core. We

should further emancipate our minds, seize opportunities, deepen reform, open wider to the outside world, accelerate development, create new prospects for economic construction and other fields of work, and work hard to achieve the grand goals set by the 14th national party congress and the tasks laid down by the First Session of the Eighth National People's Congress.

### Jiangsu Higher People's Court Work Report

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["Jiangsu Provincial Higher People's Court Work Report; Delivered by President Li Peiyu at the First Session of the Eighth Jiangsu Provincial People's Congress on 18 April 1993"]

[Text] Fellow deputies:

I now submit a report on the work of the provincial courts to this session for examination and approval.

#### 1992 Work

In 1992, the provincial courts earnestly implemented Comrade Deng Xiaoping's important talks during his inspection in South China and the guidelines for the 14th CPC National Congress, emancipated their minds, and did practical work. They faithfully enforced the Constitution and laws and made outstanding achievements in bringing into full play their functions as judicial organs, protecting the people, punishing criminal activities, promoting reform, and serving the four modernizations. Throughout the year, a total of 191,127 cases were tried and dealt with, an increase of eight percent over the previous year. A total of 10,583 cases of reduced sentences or parole were handled.

**1. We upheld the principle of "grasping the two links at the same time and attaching equal importance to both," and severely cracked down on various types of serious crimes so as to create a stable social environment for reform and opening up and economic construction.**

**(1) We severely and promptly cracked down on criminal activities that seriously jeopardized public order in accordance with the laws.** The province's public order was generally stable, but the number of major criminal cases was increasing yearly. Based on these characteristics, the provincial courts continued the struggle to crack down on criminal activities, concentrating on the "six vices" such as murder, robbery, major theft, rape, hooliganism, and the abduction and sale of women and children, which had seriously jeopardized social order. In particular, they focused on striking at underworld criminal gangs, "highway banditry," and vandalism against transportation, communications, and electric power installations that jeopardized the public order, as well as deepened the anti-theft struggle. They made concentrated efforts to crack down on habitual thieves and fleeing criminals of the abovementioned crimes, as well as leading elements of criminal groups. In accordance with

the laws, they handed down stiff sentences on those who deserved severe punishment and resolutely passed death sentences on those who deserved such sentences. For the whole year, a total of 22,177 criminal cases of all types were concluded, an increase of 9.5 percent over that of the previous year. A total of 27,571 criminals were sentenced, up 14 percent over that of the previous year. Life imprisonment and death sentences (including death sentences with a two-year reprieve) were handed down on 899 people, up 9.35 percent over that of the previous year.

**(2) We handed down severe penalties on serious economic criminal activities in accordance with laws to promote the building of a clean administration.** We handled a total 4,175 cases of economic crimes at trials of the first instance, a decrease of 1.11 percent over that of the previous year. We effectively tried major cases for embezzlement, bribery, and the misappropriation of public funds. We handed down sentences on 118 economic criminal elements whose cases involved more than 10,000 yuan, of which 33 cases were more than 100,000 yuan. We handed down severe penalties, in accordance with the law, on economic criminal elements who engaged in smuggling, swindling, speculation, and tax evasion to safeguard the economic order. In particular, we cracked down on crimes involving the use of economic contracts and bills to cheat. We upheld the principle of "determination, cautiousness, and accuracy" and strictly distinguished between crimes and non-crimes. We properly handled relations between striking at economic crimes and protecting legal economic activities. Based on the fundamental standards of being "conducive to three causes" [conducive to developing the productive forces of our socialist society, conducive to increasing the overall strength of our socialist country, and conducive to improving the people's living standards], we strictly determined whether the participation of enterprises and scientific and technological personnel in production, operations, as well as scientific and technological activities were either crimes or non-crimes. With this, we not only cracked down on economic crimes but also safeguarded reform and opening up.

**(3) We took an active part in comprehensively controlling social order by integrating it closely with the administration of justice.** While dealing heavy blows to various kinds of major criminals, we devoted major efforts to strengthening various measures for comprehensively improving the social order to reduce the number of unstable factors: First, we implemented in various kinds of judicial work the policy on the overall control of public order, strengthened legal guidance for grass-roots civil mediation organizations, did a good job in handling charges and appeals, and properly handled letters and visits from the public. Second, we strengthened the observation and education of offenders serving a suspended sentence. We basically carried out measures for helping and educating the 4,145 offenders who were given a suspended sentence last year. We also made



return visits for observation purposes. Third, by means of open trials, we extended the social effect of our handling of cases. In total, we held 923 judgment pronouncement sessions in front of as many as 5.47 million people. Fourth, in the course of handling a case, care was taken to find out management and institutional loopholes in relevant units, which were then given prompt judicial suggestions. Fifth, in accordance with the law, we gave rulings to release on parole or mitigate sentences for criminals who really showed signs of repentance or did a deed of merit during the course of labor reform, thus bringing into play the offenders' initiative to turn over a new leaf. Sixth, we strengthened juvenile court work and further improved the system for handling juvenile criminal cases. We tried a total of 2,137 juvenile offenders and earnestly implemented the "Law for Protecting Minors."

**2. We applied the economic judicial function to the regulation of economic relationships and the maintaining of economic order, and guided economic behaviors into serving socialist market economy.**

Throughout the year we accepted and heard 67,375 cases of the first instance which involved economic disputes, settled 58,037 cases involving litigated objects worth a total of 1.962 billion yuan; the figures respectively represented an increase of 16.74 percent, 19.31 percent, and 40.8 percent from the previous year. We facilitated the invigoration of large and medium-sized enterprises by trying cases involving such enterprises. We settled 4,556 cases involving large and medium-sized enterprises and 141 million yuan worth of litigated objects, and recovered for the large and medium-sized enterprises 110 million yuan in credit arrears. We carefully and skillfully dealt with various kinds of cases arising amid the deepening of enterprise reform and overall regulation and control by the state. While doing a good job in handling trials, many courts widened their field and did a good job in extending the scope of their service. We promoted rural economic development through the hearing of cases involving agricultural and rural work. We settled 9,429 cases of the first instance that involved rural contractual disputes, up 19.08 percent from the previous year. We stressed the handling of cases involving the entrapment of and harming of peasants, such as the production and sale of counterfeit agricultural chemicals, counterfeit chemical fertilizer, as well as fake and substandard seeds. We tried cases involving industrial property rights and technological contractual disputes to provide legal guarantees for the transformation of scientific and technological achievements into actual productive forces. We settled a total of 178 cases of contractual disputes involving trademarks, patents, and technology, up 54.78 percent from the previous year. We resolutely checked infringements upon the exclusive right to use registered trademarks, patent rights, and proprietary rights of scientific and technological achievements to promote the growth and improvement of the technology market. Through the hearing of cases on economic disputes involving foreign, Hong Kong, Macao, Taiwan,

as well as foreign-invested enterprises, we improved the investment environment and promoted the development of the externally oriented economy. We accepted and heard nine cases involving foreign parties as well as five cases involving Hong Kong, Macao, and Taiwan enterprises. As many as 300 cases involving foreign-invested enterprises were accepted and heard in Suzhou City alone. Courts at various levels fully exercised the nation's legal jurisdiction and protected in accordance with the law the legitimate rights of Chinese as well as foreign parties in litigation.

In view of the actual situation—including the lengthy process for litigating economic disputes and the difficulty of enforcing court decisions—courts throughout the province made full use of mediation, widely setting up "economic dispute mediation centers" to bring into play the mediation centers' special role in offering convenient and speedy handling of cases. Over the past year, the mediation centers settled 4,629 cases of economic disputes involving litigated objects worth a total of 341 million yuan, taking an average of around 10 days to settle a case.

**3. We promoted stability and unity by doing a good job in handling civil litigation and protecting the rights of citizens and legal persons.**

Jiangsu made further headway in handling civil lawsuits last year. We completed handling 93,436 civil cases of first trial, an increase of 2.34 percent over the preceding year. We intensified our work of handling marital and family cases, and we completed the handling of 51,747 such cases, accounting for 55.38 percent, topping all other cases. While handling such cases, we paid attention to protecting the legitimate rights and interests of elderly people, women, and children according to law. We also intensified our work of handling cases regarding real estate development and labor disputes—cases closely related to the development of a market economy—and helped promote the establishment of a market economic system. In 1992, we completed handling 4,278 real estate cases, an increase of 3.87 percent over the preceding year, thereby protecting the legitimate rights and interests of property owners, expediting the completion of major real estate development projects, and guiding the healthy development of the real estate market. People of all walks of life welcome the collegiate benches, which people's courts in Zhenjiang, Nanjing, Nantong and some other places have established to handle real estate development cases, and which have settled many disputes arising from demolition of houses and resettlement of occupants. While handling the 1,087 cases involving labor disputes in 1992, we not only paid attention to protecting workers' rights to work and their property rights, but also supported enterprises' measures for reform and tightening management, and safeguarded their autonomy in hiring workers. According to law, we also handled civil cases involving foreign litigants as well as litigants from Hong Kong, Macao, and Taiwan. By doing so we protected their property and personal rights



and promoted cross-strait exchanges. Last year, we handled a total of 53 civil cases of first trial involving foreign litigants and 21 cases of first trial involving litigants from Hong Kong, Macao, and Taiwan.

**4. People's courts actively and cautiously handled administrative lawsuits, supported and supervised administrative organs in exercising their powers, and expedited the transformation of government functions.**

People's courts in Jiangsu experienced new developments in handling administrative lawsuits last year. First, the number of administrative cases of first trial topped that of the preceding year by 19.21 percent, reaching 906. Second, administrative laws and regulations were growing in number and administrative litigations covered an increasingly broader area. Many unprecedented cases concerning statistics, fishery affairs, measurements, port supervision, electricity supply, education administration, and infringement of enterprises' autonomy were brought to courts to handle. During the year, people's courts completed handling 776 administrative cases of first trial, an increase of 15.8 percent over the preceding year. Moreover, people's courts in Jiangsu also executed 3,537 administrative decisions which administrative organs requested the courts to enforce. As a result of handling and executing these administrative cases, people's courts not only protected the legitimate rights and interests of citizens, legal persons, and other organizations according to law, but also provided administrative organs the support and supervision they needed in executing their administrative affairs.

While people's courts in Jiangsu achieved significant success in various fields in 1992, they had certain problems and difficulties. Primarily these problems were: Although public order was stable on the whole, the number of major cases was on the rise and the state of public order was unsatisfactory in certain localities; in some courts, their leaders were not fully aware of the guiding principle that they should serve economic construction, due to their low quality, some police officers' performance was incompatible with objective needs in the development of a socialist market economy; there were still problems about laws not being strictly or effectively enforced; law enforcement was still interfered with from certain quarters and departmental protectionism remained fairly serious in some localities; litigations were still handicapped by the construction of "two courts" [liang ting 0357 1656] and lack of equipment; and some courts, owing to lack of funds, were unable to ensure their normal operations. All these problems have to be resolved seriously.

**Important Things Learned in the Past Five Years**

Fellow deputies, the work accomplished in the past five years shows that people's courts across the province have achieved new progress in various fields and they have played their part in maintaining Jiangsu's social stability and promoting its economic development. Over the past

five years, people's courts have completed handling 842,800 cases of all descriptions, including 139,900 criminal cases, 238,400 economic cases, 461,100 civil cases, and 3,400 administrative cases. On average, the number of completed cases increased 10.28 percent annually, especially the number of economic and administrative cases, which grew respectively 21.11 and 32.32 percent annually. The number of cases concluded in 1992 topped that of 1988 by 47.92 percent. Through practice, we have gained new understanding as to how people's courts can play a better role in economic construction.

**1. To bring into play their functions and role, the people's courts must implement in an all-around way the party's basic line of "one center and two basic points" and firmly cultivate the guiding ideology of serving the needs of economic construction.**

The people's courts are the judicial organs of the state. The point of departure for the people's courts is that their work must be conducive to liberating and developing the productive forces and carrying out economic construction faster and better, to accelerating reform and opening up and upholding the four cardinal principles, and to safeguarding political and social stability. During the last several years, we educated vast numbers of judicial cadres and police in enhancing their sense of dictatorship and upholding the policy of dealing harsh blows to criminals. As a result, we effectively safeguarded social stability. Through a change in attitudes toward law enforcement, judicial cadres and police—particularly the attitudes of court presidents—were able to emancipate their minds, adopt an overall point of view, eliminate the thinking that judicial work does not contribute to economic construction, and overcome their simplistic work attitude of waiting for someone to report cases and then handling them behind closed doors and in isolation. We required that judicial work be conducted to suit the needs of economic development and that work approaches and arrangements be adjusted from time to time to enable all judicial cadres and police throughout the province to gradually free themselves from a closed condition characterized by a traditional outmoded sense of law enforcement, trial methods, and workstyles. We also required that the relationship between policy enforcement and law enforcement be handled correctly and that the party's policy be used to guide law enforcement. As a result, political and social effects as well as economic benefits have notably improved.

**2. To bring into play their functions and role, the people's courts must uphold strict enforcement of the law and constantly raise the level of law enforcement.**

The people's courts serve the needs of economic construction through strict law enforcement. Strictly enforcing the law is the heart of judicial work. To uphold strict law enforcement, it is necessary to firmly cultivate and enhance the awareness of case handling personnel in law enforcement. We always emphasized the judicial

discipline of the "eight forbiddens." To enhance the sense of responsibility of judicial personnel, we developed a "wrong case investigation system" to resolutely investigate and determine the responsibility of judicial personnel who produced wrong verdicts because of perversions of the law or lack of responsibility in work. We stressed, in accordance with the law, the responsibility of the parties in providing evidence and strengthened the judicial functions of the collegiate bench, using the public trial as the center. To unify and regulate the law enforcement activities of the province's courts, the provincial higher court, after conducting research, drew up 34 regulatory documents. To improve the results of the courts' service to economic construction, in addition to establishing economic dispute mediation centers, 42 special courts (collegiate benches) were set up in light of actual needs to deal with cases of highway management, dismantlement and the moving of urban construction works, and the development of an export-oriented economy. In addition, four legal service groups were dispatched to economic development zones. To uphold strict law enforcement, it is necessary to strengthen enforcement work. The difficulty in passing judgment on cases of economic disputes and enforcing it has always been a big problem in judicial work. However, by relying on the leadership of the party committee and the support of the people's congress, the courts in our province were able to greatly strengthen law enforcement and overcome local and departmental protectionism. As a result, the success rate of enforcing judgment in cases of economic disputes has increased year after year. In 1989, the provincial higher court became the first in the nation's court system to establish an enforcement bench. Last year, the province's courts successfully enforced and concluded 50,000 different types of cases through the organization of trans-provincial and trans-regional enforcement campaigns. As a result of these efforts, the success rate was raised to 73.5 percent from around 60 percent in the past few years, and the passive phase in enforcement work began to change. To uphold strict law enforcement, it is also necessary to strengthen judicial supervision and professional guidance. Over the last five years, a total of 32,541 cases were reviewed, of which 7,398 cases received new verdicts in accordance with the law and 1,398 were pronounced innocent. The courts also correctly implemented the litigation principle of mutual support, supervision, and control between public security, procuratorial, and judicial organs, and carefully tried cases brought up by procuratorial organs and criminal cases initiated by the parties concerned, resulting in the pronouncement of innocence in accordance with the law for 332 persons.

**3. To bring into play their functions and role, people's courts must cultivate a contingent of judicial cadres who are politically firm, professionally competent, and tough in workstyle.**

Strengthening the building of the ranks of judicial cadres provides an organizational guarantee for accomplishing judicial tasks. We upheld the policy of strictly managing

the courts and scored notable results in attending to the administration of justice on the one hand and the promotion of the building of the ranks on the other. The vast numbers of judicial cadres and police upheld the four cardinal principles and the policy of reform and opening up. Under the circumstances when the number of cases of all kinds increased rapidly and the judicial tasks became enormously heavy, they were still able to overcome difficulties and fairly successfully accomplished various judicial tasks through hard work. Particularly, they stood the rigorous tests of political disturbances at the turn of the spring and summer of 1989, the political turmoil in East Europe, and the super flood disaster of 1991. Over the last five years, two of the province's courts were named advanced collectives and four individuals were honored as model workers by the provincial party committee and government; 13 courts were cited as advanced collectives for their meritorious service and 10 people were named judicial models and advanced individuals by the Supreme People's Court; and 58 collectives and 205 individuals were commended by provincial courts, of which 16 units were awarded citation for collective merit, second class, and seven individual awarded citation for merit, first class.

Ideological-political work was strengthened. We organized in different forms judicial cadres and police to study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's line, principles, and policies, thereby strengthening the faith of all cadres and police in socialism. To strengthen ideological-political work in an all-round way, courts at various levels strengthened the building of political organs. In April 1991, the provincial higher court held a provincial conference on ideological-political work in the courts and drew up the "Provisional Regulations Governing Ideological-Political Work for People's Courts at All Levels in Jiangsu," which further institutionalized ideological-political work. In September 1992, it again held an on-the-spot meeting on ideological-political work in Zhenjiang for the province's courts to push forward ideological-political work. The work of building a clean government was also strengthened. On the one hand, we upheld education in clean government to enhance the consciousness of all cadres and police in maintaining honesty in performing duties. On the other hand, we firmly attended to the building of rules and regulations, strengthened supervision, and developed effective control mechanisms to ensure clean and honest government. A general inspection on law and discipline enforcement for all the courts in the province was conducted once every year, and violations of law and discipline discovered in the general inspection were sternly dealt with. Professional education and training were improved. During the last five years, the part-time college of law for the provincial higher people's court trained 2,929 students with an education background equivalent to college, 111 college graduates and post-graduates, and 827 key judicial personnel, who received credentials in law. The current enrollment totaled 1,796.

In addition, we also trained 2,900 cadres in 34 provincial-level training classes organized for different types of jobs. Today, there are 5,705 cadres with college and higher education in the province's courts, accounting for 48 percent of the total number of judicial cadres and police.

**4. To bring into play their functions and role, the people's courts must vigorously strengthen grass roots construction and ensure the smooth progress of judicial work.**

A large amount of the judicial work of the people's courts are at the grass roots level, and the local people's courts handled more than 70 percent of the total number of cases handled by the province's courts. The most important thing for the success of the various judicial tasks handled by the province's courts is to do a good job at the grass roots level. Accordingly, we directed our attention to the grass roots level and made an all-out effort to strengthen the work of local people's courts. We always made it an important element of our work to strengthen the building of local people's courts. Principal leaders at the provincial higher and intermediate courts always went to local people's courts to conduct investigations and research and adopt measures to improve their work. Seventy-one local people's courts were established during this period, increasing the total number of local people's courts to 554, and 811 cadres were assigned to local people's courts, increasing the total number to 3,095. In July 1991, the provincial higher people's court specially convened a provincial meeting on the work of local people's courts to push forward the work of local people's courts. In 1990, the provincial higher and intermediate courts set up guidance groups for local people's courts, and offices were established by the principal leaders of the grass roots courts to receive guidance from the groups. Last year, in an effort to continue promoting the building of local people's courts, we organized activities encouraging local people's courts to emulate each other to become advanced courts. Over the last five years, local people's courts handled nearly 60,000 different types of cases and played an important role in the drive to improve social order by comprehensive means and serve the needs of economic construction in rural areas. Court management was strengthened to improve conditions for law enforcement. We actively explored systems and ways to scientifically manage people's courts in an effort to improve efficiency. The province's courts extensively instituted and gradually perfected a system of job responsibility, which fired the initiative and creativity of the cadres and police. As a result, some capable personnel were able to handle more than 100 cases a year. In the area of administration, emphasis was placed on strengthening the building of institutions to ensure the orderly conduct of various kinds of judicial work. Thanks to the concern and support of party committees, people's congresses, and governments at various levels, the building of trial tribunals and local people's courts made rapid progress. In addition to the 83 trial tribunals and 432 people's courts already established, more are under construction.

**5. People's courts must persist in relying on the leadership of the party and supervision by the people's congress in order to give full play to its role and functions.**

The leadership of the party is the fundamental guarantee for successfully carrying out the court's work. Courts at various levels should correctly handle relations between the party's leadership and independent adjudication in accordance with the law, and enforce laws under the guidance of party policies. They should promptly ask for instructions from party committees when making important arrangements or taking important actions. In line with the arrangements made by party committees for various stages of work, they should take their bearings, perform their tasks, and consciously serve economic construction by utilizing the power of adjudication. Consciously accepting supervision by people's congresses and their standing committees over the legal and professional aspects of judicial work is an important guarantee for doing a good job in enforcing laws. Courts at various levels have made arrangements to accept supervision and comments from deputies to people's congresses regarding their work; seriously handled proposals, criticisms, and suggestions made by deputies to people's congresses; made reports to people's congresses and routine meetings of their standing committees; and heard their opinions. Some courts at the basic level have taken the initiative to report their work to the presidiums of people's congresses in towns and townships, and extensively accepted supervision by the masses.

**On the Tasks for 1993**

Fellow deputies, as we move gradually to establish and develop a socialist market economy, people's courts are faced with heavier and more arduous tasks. We must firmly implement the party's basic line and make new contributions to accelerating reform and opening up and to establishing and developing a socialist market economy.

**1. Under the guidance of the 14th CPC National Congress, we should unswervingly adhere to the guiding thought that the work of adjudication should help establish a socialist market economy.** We should fully understand the position and role of people's courts in establishing and developing a market economy, and work hard to realize "acceleration in four aspects and three main things" [si ge jia kuai, san ge wei zhu 0934 0020 0502 1816, 0005 0020 3634 0031] in the province, as well as the goals for the 1990's. Through the work of adjudication, we should, while acting in accordance with the law, protect activities which are conducive to liberating and developing the productive forces, curtail activities which are unfavorable to liberating and developing the productive forces, and punish activities which undermine the liberation and development of productive forces.

**2. We should vigorously strengthen socialist democracy and the socialist legal system by persisting in "grasping two links at the same time with equal attention to both."**



We should follow the policy of "grasping two links at the same time" set forth by the 14th CPC National Congress—"pursuing the process of reform and opening up while fighting crime, and developing the economy while strengthening democracy and the legal system." We must not slacken our efforts in fighting sternly against all kinds of serious criminal activities and economic crimes; must actively take part in the comprehensive management of public security; must resolutely maintain social stability; and must create a good social environment for reform, opening up, and economic construction.

**3. We should intensify our efforts to reform and better the material conditions of people's courts, and further improve law enforcement.** We should intensify our efforts to reform people's courts in order to ensure that they will enforce laws strictly, to promote socialist democracy and the socialist legal system, and to provide better legal service for economic construction. We should focus on improving the methods of adjudication and on handling cases in strict accordance with the law. We should establish and perfect mediation centers for economic disputes, improve the job responsibility system, and implement a system of investigating and handling misjudged cases. We should also do a good job in setting up judicial organizations in development zones and free trade zones at the state and provincial levels.

**4. We should vigorously strengthen the training of judicial workers, and cultivate a contingent of court cadres who can adapt themselves to the needs of developing a market economy.** We should improve the ideology and workstyle of cadres and policemen, especially leading court cadres, and constantly raise their political quality. We should work out stricter disciplinary rules for judicial work, and seriously investigate and handle cases involving violations of the law and discipline. We should attach greater importance to the training of people, and continue to do a good job in running spare time colleges for court workers. In light of the economic situation in this province, especially the development of an export-oriented economy, we should now begin to cultivate judicial personnel who have a sound knowledge of the law, economics, market forces, and foreign languages.

### **Largest Plaster Loading Port in East China Built**

*SK2105040693 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 20 May 93*

[Text] East China's largest inland river port specially for shipping plaster has been built recently in Taierzhuang of Zaozhuang city. Construction of this port started last December with an investment of 500,000 yuan from the Taierzhuang District Plaster Mine. With an automatic loading and unloading system, this port can handle up to 1 million tonnes of plaster a year.

## **Central-South Region**

### **Guangdong Government Cadres Given Certificates**

*HK1705060893 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 15 May 93*

[Text] The Guangdong Provincial People's Congress Standing Committee held a meeting this morning to present certificates of appointment to 40 persons in charge of various organs of the provincial government at commission, office, and department levels.

Governor Zhu Senlin attended the meeting and delivered an important speech. He urged the appointees to live up to the expectations and trust of the people throughout the province; work honestly, diligently, and painstakingly during their tenure of five years; and exert themselves to push forward reform, opening up, and economic construction so as to enable the national economy and various undertakings in the province to scale a new height.

### **Zhu Senlin Address**

*HK2105092593 Guangzhou NANFANG RIBAO in Chinese 18 May 93 pp 1, 2*

["Comrade [Governor] Zhu Senlin's 15 May 1993 Speech at a Meeting To Present Appointment Certificates Issued by the Provincial People's Congress Standing Committee and To Mobilize Legislative Work"]

[Text] Comrades:

On behalf of the provincial people's congress Standing Committee, Comrade Lin Ruo has just presented appointment certificates to component members of the provincial government and those in charge of the provincial court and procuratorate. This not only is the glory of the appointed comrades, but also gives strong support and impetus to government work. On behalf of the provincial government, I would like to thank, and extend warm congratulations to, the appointed comrades. The appointment certificates issued by the provincial people's congress standing committee today contain the expectations and great trust of the 64 million people in Guangdong in all government members. This is not a light weight!

In the five-year tenure of this government, our province will accomplish the strategic objective of increasing the 1980 GNP figure by eight times and thus lay a good foundation for the basic realization of modernization early next century. This is a glorious but arduous task. We must seize this opportunity to accelerate development. In particular, we should, on the basis of consolidating and developing our existing strengths in human relations and geographical conditions, quicken the pace of reform and opening up, establish a new superior position for Guangdong's development, and make great efforts in terms of industry, region, structure, and mechanism. Every government component member should



take today's appointment as a new starting point; conscientiously study, firmly grasp, and correctly apply Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; take as our motto General Secretary Jiang Zemin's "64-character" advice to Guangdong: foster and carry forward this great enterprising spirit; build a clean and industrious government; work hard; energetically forge ahead; strive to accomplish the strategic objective of increasing the 1980 GNP figure by eight times, and never let down the people of the whole province. In work, every government component member should consciously accept the supervision of the provincial people's congress and its Standing Committee, listen to the views and suggestions of the provincial committee of the Chinese People's Political Consultative Conference and people from all walks of life, go deep into the realities of life, go among the people, and serve them wholeheartedly.

What I want to especially stress here today is that, with the constant development of the market economy, we should gradually bring all fields of endeavor in line with the legal system. Every government component member should learn to rely on the legal system to administer society and manage the economy. The meeting today is a meeting to mobilize legislative work. It is a very good topic of discussion. It will boost not only legislative work but also government work in our province.

Establishing a socialist market economic structure is necessary for accelerating Guangdong's economic growth. However, to firmly establish and perfect this structure, we must have a complete set of laws to guarantee it. As a comprehensive experimental area of China's reform and opening up, Guangdong registers fast economic development in the country as a whole, and it should also advance quickly in developing the legal system. In local legislation in particular, it can start off before others. When inspecting work in Guangdong some time ago, Comrade Qiao Shi said: "Drafting laws on the socialist market economy is a new subject to us. Since the state laws are still incomplete, localities may explore the drafting of some local statutes in advance. In this respect, Guangdong, as a forward position in reform and opening up, can also serve as an experimental field in legislative work." This makes it necessary for us to continuously make bold explorations and conduct energetic tests and, at the same time, promptly analyze mature or relatively mature achievements in reform and opening up, standardize them, and turn them into laws or regulations so as to promote Guangdong's economic construction still better.

In a sense, a market economy is one based on the legal system. All members of the government should firmly foster the idea of handling affairs according to the law and consciously advance the construction of the legal system in Guangdong. At present, we should pay particular attention to doing well the following tasks:

1. Strive to coordinate with the provincial people's congress and its Standing Committee in doing a good job

of legislation. In the course of exploring a new path for the establishment of a socialist market economic structure, all government members should promptly sum up experience and lessons in light of the work realities in their units, departments, and trades so as to provide the provincial-level legislature with rich and accurate legislative material and give good advice to the legislature. The provincial people's congress and its standing committee plan to enact 40-50 statutes, most of which are in the economic field, and this is undoubtedly a very arduous task. All members of the government should coordinate with the people's congress and its Standing Committee in doing a good job of it, regarding it as their own task. They should give conscientious assistance and jointly accomplish this task well by providing more and better legal bases for Guangdong's economic development.

2. Proceed from the practical needs of establishing a socialist market economy and actively put forward suggestions for legislation. If, in the course of its practice, a unit or department feels there is a need for the legislature to work out a local statute, it should boldly put forward legislation proposals, voluntarily submit them to the provincial people's congress and its Standing Committee in accordance with procedure, and strive to have them listed in the legislative plan at an early date. If necessary, it can work out a draft statute, and then ask the provincial legislative body to decide whether there is a need for such legislation. All departments and units should conscientiously organize people to investigate and study the draft regulations which the legislature sends to them for solicitation of opinions, and they should promptly submit amendments. If, in the course of implementing existing local statutes, they spot some problems, they should give feedback in good time and raise their views so that the legislature can take them for reference when making amendments.

3. Actively draft administrative regulations. As many of the reform measures are still in the stage of exploration and experiment, it is still inadvisable to frame some practices in the form of law prematurely, nor is it good to have no regulations to go by. For this reason, all departments and units may formulate departmental administrative regulations within the scope of their trade administration. In the course of implementation, these should be constantly perfected and improved upon and, when conditions are ripe, they may put forward legislation proposals in accordance with the legislative procedure. However, it is necessary for the provincial government to work out provincial administrative regulations for some spheres, and the relevant departments or units should put forward timely proposals to the provincial government which, after comprehensive coordination, will decide whether it is necessary to promulgate them.

4. Strictly enforce the law and carry out administrative functions in accordance with the law. All component members of the government should take the lead in strictly observing and implementing the laws, rules, and

regulations currently in force in the state and the province; strive to standardize their administrative behavior; and earnestly carry out administrative functions and handle all affairs in accordance with the law. Each action of government members directly affects the government's image among the people. Every government member must be strict with himself and strictly observe and implement the law. Understanding the law is a precondition for the observation and implementation of the law. Through their examples, government members should lead all cadres and other staff in their departments, units, or trades in conscientiously studying legal knowledge so as to enhance their awareness of the importance of the law and strive to advance the construction of the legal system in the whole province.

5. Strive to make a follow-up inspection of law enforcement. All departments or units should do a good job of inspecting law enforcement in their departments and trades to ensure that state laws, rules, and regulations are genuinely implemented. The province has organized a general inspection of changes in the way enterprises operate. This is aimed at inspecting and supervising the implementation of the Enterprise Law and the Regulations on Changing the Way State-Owned Enterprises Operate, as well as the methods for their implementation, especially the exercising of enterprise decision-making powers in 14 aspects. This will play a positive role in accelerating changes in the way enterprises operate and in government functions and in establishing a new structure of the socialist market economy at an early date. In the course of inspection, enterprises effusively praise the government departments that have strictly acted according to the regulations and sharply criticize those that have violated them. This shows that whether or not our government handles affairs according to the law is under the extensive supervision of the grass-roots organizations and the masses. This activity of making a follow-up inspection of law enforcement will be continued in the future.

Comrades, Guangdong's economic development is in a very critical historical stage. We should live up to the expectations and great trust of the people of the whole province; unite as one; overcome difficulties; strive to establish and bring into play Guangdong's superiority; work hard to advance reform, opening up, and economic construction; and raise Guangdong's national economy and all fields of social endeavor to a new level.

### Lin Ruo Speech

HK2105082093 Guangzhou NANFANG RIBAO in Chinese 18 May 93 pp 1, 2

["Comrade Lin Ruo's (chairman of the Guangdong Provincial People's Congress Standing Committee) Speech on 15 May 1993 at a Meeting Held by the Provincial People's Congress Standing Committee To Issue Appointment Certificates and Carry Out Legislative Work Mobilization"]

[Text] Comrades:

Comrade [Governor] Zhu Senlin just gave a very good speech. He set forth the requirements for the current government work and expressed many good opinions on strengthening the legislative work. Here, I would like to express some opinions on reinforcing democracy and the legal system.

First, it is necessary to fully understand the importance and urgency of reinforcing democracy and the legal system. Recently, General Secretary Jiang Zemin and Chairman Qiao Shi gave many important talks on the issue of developing democracy and perfecting the legal system. At a meeting, Comrade Jiang Zemin said: "Corresponding to the economic structural reform and economic development and following the requirement of closely combining democratization and the development of the legal system, we need to actively advance the political structural reform and substantially develop socialist democracy and the socialist legal system." "In order to meet the needs of reform, opening, and economic construction, we must reinforce economic legislation and formulate various laws to guarantee and promote the development of the socialist market economy." He also said: "The establishment and improvement of the socialist market economy must be guaranteed by law. The operation of the market economy must be backed by the legal system. Without a perfect socialist legal system, there will not be healthy development of the socialist market economy." He required that "leading cadres at all levels take the lead in studying and abiding by the law. This is an indispensable qualification that our cadres must have. The people's congresses and their standing committees should continue to do a good job in supervising law enforcement and safeguarding the dignity of the Constitution and the laws." At the First Session of the Eighth National People's Congress [NPC], Comrade Qiao Shi pointed out: "Developing socialist democracy and the socialist legal system is an important guarantee for the realization of the four modernizations in our country. Without democracy and the legal system, there will be no socialism and no socialist modernization." He also particularly mentioned that in 1987, Comrade Xiaoping said that in order to guarantee the people's democracy, the legal system must be strengthened. Democracy must be institutionalized and must be consolidated in the form of laws. Such systems and laws must not be changed due to changes in leaders, and must not be changed due to changes in leaders' opinions and attention. We should earnestly study the important speeches by these two leaders, and profoundly understand the essence of these words. Leading cadres at all levels, especially high- and intermediate-ranking cadres, should earnestly study the law and make efforts to promote the development of democracy and the legal system.

Second, we must be soberly aware that at present, our work in developing democracy and the legal system still lags behind, and our legislative work must be quickened. The 14th party congress adopted the reform objective of

establishing a socialist market economy in our country, and the First Session of the Eighth NPC included this point in the PRC Constitution. The essence of the market economy is a law-governed economy [fa zhi jing ji 3127 0455 4842 6060]. The establishment and improvement of the socialist market economy must rely on the guarantee of the law. Strengthening the legislative work, especially economic legislation, has become an important item in our work schedule. We must rapidly change the present backward condition in the development of the democratic and legal system.

Because our legislative work lags behind and we still lack an integrated set of laws and regulations for regularizing the market economy, disorder has occurred in some localities' behavior in the aspects of land transfer, real estate development and transfer, and the setting up of development zones. This has seriously affected this province's economic development in these aspects. According to the departments concerned, land requisitions have caused a number of disputes. Recently, the provincial people's congress standing committee discovered in its law enforcement inspection that usury had become rampant in the Zhu Jiang Delta area and loan sharks simply defied laws and acted blatantly. However, in this province, there is still no legal provision for punishing loan sharks, and this makes it rather difficult to crack down on such activities. As another example, some people organized gambling by running electronic game shops. At present, we also lack an effective method of checking such illegal activities.

Therefore, quickening the pace of legislation has become a pressing task of the moment. Guangdong has taken a step ahead of other localities in reform and opening. Now, what should we do in the aspect of legislation? When inspecting Guangdong recently, Comrade Qiao Shi proposed taking Guangdong as a test point for legislation, and required Guangdong to advance ahead of other localities in the aspect of legislation. Therefore, we should quicken the pace of legislation, and we shall strive to enact dozens of economic laws and sets of regulations. In order to quicken the pace of legislation, we must change the previous single-line legislative procedure. In the past, a law was first drafted by a functional department of the government; the draft would then be sent to the bureau of law and would be repeatedly discussed and considered there; and the bill would then be signed by the provincial governor before it was finally submitted to the people's congress standing committee for deliberation. Thus, it would take at least several months or even one to two years to enact a law or a set of regulations. Now, the provincial people's congress Standing Committee has decided that the work of drafting laws and regulations can be done through the following three channels: First, a law-drafting group will be set up mainly by the relevant functional department of the government. Second, the relevant working committee of the provincial people's congress standing committee will take charge of the drafting of some laws and regulations with the cooperation of relevant functional

departments of the government. Third, the law departments of various universities and colleges, research institutes, and some experts in the Law Association will be entrusted with drafting some laws and regulations. The drafts will be revised, with the opinions of various quarters concerned being coordinated and a consensus of opinion being achieved, and will then be submitted to the people's congress standing committee for deliberation. As legislation is conducted through these three channels, I think that the pace of legislation may be substantially quickened.

Third, law enforcement is as important as legislation. At present, laws and regulations in many aspects have been enacted in this province, and there are already hundreds of laws in our country. This province has also enacted more than 100 local laws and regulations. However, many people still do not understand or do not attach importance to the need to act according to the law. In many localities, laws are not strictly enforced. The phenomena of "acting in violation of the law, failing to enforce the law strictly, not punishing those violating the law, and even replacing the law with leaders' instructions or replacing imprisonment with fines" have often appeared in many localities. If this trend is not effectively checked, it will be useless to enact laws. This is an issue in the implementation of laws and regulations. Some departments are used to "shelving" laws, holding that laws have little or no relation to them. For example, the NPC Standing Committee enacted a law on protecting wildlife; and last year, the provincial people's congress Standing Committee also ratified the "Guangzhou City Rules on the Protection and Management of Wildlife." However, the phenomena of illegally catching and killing wildlife still occurred frequently. Some time ago, the provincial people's congress Standing Committee and the Guangzhou City People's Congress Standing Committee jointly inspected the enforcement of the law on protecting wildlife, and found that 60 percent of food shops had killed wildlife and that some large hotels were also involved in such activities. The situation was rather startling. This was related to the fact that some people were ignorant about the law or were deliberately defiant. At the same time, it was also related to the fact that some organs and units in charge did not attach importance to rigorously enforcing and strictly abiding by the law and that some departments often passed the buck in the course of law enforcement.

Law enforcement should be inspected regularly, but it is more important to conscientiously carry out legal education and popularize legal knowledge so that all citizens will understand the law and abide by the law. At present, two problems are rather prominent. First, the work of law enforcement is not thorough, the instructions of the upper authorities are not actually implemented at the grass-roots level, and nobody at the grass-roots level is responsible for this work. Second, the methods of work are outmoded. Some comrades still use outmoded methods to guide the work. They only hold meetings to arrange the work, and seldom go to the grass-roots level



to inspect the work. They only rely on the administrative organs, and do not solicit cooperation and support from the masses. In addition, there is no perfect mechanism of supervision. In the future, we should adopt this guideline: Relying on legislation and law enforcement to promote our work. Only thus can we achieve greater results in our work. The Guangzhou City People's Congress Standing Committee enacted a rule prohibiting people from selling and setting off firecrackers and fireworks, and very good results have been achieved in the enforcement of this rule. Why was this so successful? The key reason was that after the legislation, the party committee, the government, and the people's congress leading body of the city all attached great importance to the enforcement of the rule and gave wide publicity to it. This was a good example of acting according to the law, and various institutions should often inspect and supervise their subordinate units. The people's congresses at various levels should also conscientiously conduct law enforcement supervision. Some typical cases should be grasped in the course of inspection. In short, the supervisory work should be regularized and institutionalized. Only thus can our country maintain prolonged stability and order.

Fourth, we have a number of hopes and requirements for the personnel of the provincial government: 1) Various departments should immediately come up with their opinions and proposals on the legislative work in connection with the needs in their own work, draw up a number of legislative items, and organize the drafting of relevant laws and regulations. The primary head of each department should personally take charge of this work. 2) It is necessary to firmly keep in mind the concept of acting according to law. Leaders should take the lead in studying and implementing the law, should organize cadres and workers in the same departments to study laws and regulations related to their work, and should examine the work in this regard. It is particularly necessary to study the revised Constitution, the People's Congress Organic Law and Deputy Law, and the provincial people's congress standing committee's work rules on legal supervision. Only by acquiring legal knowledge can we effectively implement the law and act in the light of the law. 3) Various departments should intensify law enforcement inspection and supervision in their subordinate units in order to ascertain their duties and responsibilities and to prompt them to act in accordance with the law. 4) The people's congresses and their standing committees should supervise government departments, and this is their duty prescribed by the Constitution and the law. Supervision is in fact also a kind of support. Supervision means providing assistance and promoting work, and does not mean finding fault and creating trouble. Comrade Jiang Zemin: "In our country, all people must be subject to supervision. If those who hold power are not subject to supervision, this will certainly lead to corruption." He also said: "Supervision exercised by the people's congresses represents supervision exercised by the people. This is a state system and is not individual behavior." The objective of our work is

identical, that is, to promote the development of the democratic and legal systems. Government departments should welcome such supervision and provide cooperation.

Let us make joint efforts to quicken the pace of legislation in this province. Under the leadership of the provincial party committee, all of us should be united and work hard, and make greater contributions to Guangdong's reform, opening, and modernization.

### Death Sentences Handed Down in Guangdong's Foshan

HK2105051093 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 19 May 93

[Text] Verdict announcement rallies were simultaneously held in 13 locations in Foshan City, including Foshan City district and Nanhai City, this morning to severely punish 140 criminals who had committed serious crimes, including robbery, theft, drug-trafficking, murder, and so on.

A total of 18 most vicious criminals, including Chen Yong, who murdered the revolutionary martyr Zhu Gongkai, were sentenced to death according to law. The principal members of a criminal gang who committed frenzied killing, robbery, rape, and other crimes in Nanhai City during the Spring Festival this year were among those receiving the death penalty. The three main culprits of a gang of 10 who stole 64 motorcycles were also executed today.

### Guangdong Nonpublic Sector Exceeds State, Collective

HK2005144093 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1051 GMT 20 May 93

[Text] Beijing, 20 May (ZHONGGUO TONGXUN SHE)—According to reliable statistics, registered capital of Guangdong's nonpublic owned enterprises has outstripped the sum of state-owned and collective ones. Registered capital of state-owned enterprises has declined to the second position.

The proportion of Guangdong's state, collective, and nonpublic owned enterprises is 7.6 percent, 18.2 percent, and 74.2 percent; the proportion of workers of the three sectors is 30 percent, 38.3 percent, and 31.7 percent; while the proportion of registered capital is 30.2 percent, 16.4 percent, and 53.4 percent, respectively.

As development of the nonpublic sector has taken shape, new changes have been effected in the ownership structure of Guangdong's industrial and commercial enterprises. However, most of the public enterprises are large and medium size industrial and commercial ones, whose total industrial output value account for over 70 percent.



### Shenzhen Indexes Show 'Sharp Growth' in Prices

HK2105105193 Beijing ZHONGGUO XINWEN SHE  
in English 0803 GMT 21 May 93

[Text] Shenzhen, May 21 (CNS)—Shenzhen's price index has since the beginning of this year risen day by day, contrasting with the city's stock market which has taken a downturn. The rise in prices last April set a four-year record.

The consumer price index in Shenzhen rose by 16.6 percent in the first four months of this year, with retail prices increasing by 36.8 percent and service items by 20.3 percent, registering the greatest price rise since 1990. Prices for eight main consumer goods such as food, building materials, clothing, fuel, daily necessities, medicine, books and magazines and cultural and recreational items have tended to increase. Food prices have risen 15.2 percent, clothing 9.9 percent, daily necessities 10.9 percent, cultural and recreational items 9.8 percent, books and magazines 23.3 percent, medicines and medical items 7.3 percent, building materials 39.9 percent and fuel 24 percent.

A sharp growth in prices has brought pressures on consumers as well as on the authorities in Shenzhen. The municipality, a pioneer in the implementation of reform in China, has gradually lost its special place since inland areas have opened one after the other. After some ten years of development, the municipality has faced a number of social problems including critical public order, bureaucracy and an outflow of capital.

### Shenzhen Police Arrest 'Secret Society' Members

HK2005144193 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1023 GMT 19 May 93

[Text] Guangzhou, 19 May (ZHONGGUO TONGXUN SHE)—The policemen from the Shenzhen City Public Security Bureau Baoan Subbureau Longcheng Police Station recently cracked down on two gangs which had secret society natures, arrested 23 members of the gangs, and seized some weapons.

On the morning of 6 May, someone picked up a piece of paper and discovered the words: "Kind people, we are robbed and raped, hurry to our rescue, third floor of Paramount staff quarters." After learning the news, the policemen from Longcheng Police Station rushed to the staff quarters of the Paramount Karaoke Club at Longyuan New Village, where they saved two women and arrested three people including Zhang, who were sleeping after gang-raping the women and robbing them. On the spot, the policemen also retrieved three stolen gold rings and 700 yuan.

After investigation, Longcheng Police Station suspected that the club was controlled by a certain gang of a secret society nature, so they cast a net over Paramount and, at 0000 that night, arrested seven persons including Liang.

At 0100 in the morning, the policemen from the police station struck again and discovered four "girls who served as companions on three occasions" engaging in indecent activities in the club. An interrogation revealed that they were controlled by the club's security guards. The policemen then took the security guards back to the police station for interrogation. Thereafter, the policemen went to search the houses of the arrested gang members, and found a number of weapons, a copy of "gang regulations," a record of the meetings of the gang, and more than 10,000 yuan.

It is now clear that the case involves a gang of a secret society nature. Liang Yu, the main culprit in the case, was dismissed by the Army because he organized an illegal gang. In February this year, Liang organized some jobless persons from Henan and Hubei (most of them served as security guards in Paramount Club) and some demobilized soldiers into an illegal gang, and bought equipment to commit crimes. According to the members of the gang, since its founding, the gang has committed many crimes such as blackmail (asking for protection money), robbery, theft, and looting.

During the investigation, Longcheng Police Station also found that the boss of the club, a Taiwanese named Ma, and his "body guards" as well, kept guns and ammunition illegally and controlled another syndicate in committing crimes. Ma also recruited jobless persons from outside the province and told the security guards of the club to cover them, in order to force women into prostitution and provide a venue for prostitution; he also manipulated the security guards in doing all kinds of wrongs. A few days ago, the public security department took Ma's identity document, and closed the Paramount Karaoke Club for investigation.

### Zhuhai Aiming To Become Fifth 'Asian Dragon'

HK2105060093 Beijing CHINA DAILY in English 21  
May 93 p 2

[Report by staff reporter: "Zhuhai's Ambition To Be 5th 'Dragon'"]

[Text] The Zhuhai Special Economic Zone, aiming to become another "Asian dragon," will invest 235 billion yuan (\$41.2 billion) in fixed assets over the next 15 years, said Mayor Liang Guangda.

Despite Zhuhai's rapid economic growth over the last 13 years, the city in South China's Guangdong Province is still 15 to 20 years behind the "Four Asian dragons": Hong Kong, Taiwan, Singapore and South Korea.

Part of the huge investment will go into 30 major projects, including the Zhuhai Port, the Zhuhai Airport, the Guangzhou-Zhuhai Railway, a big power station and a large water supply system, Liang said.

"We will also try to get approval from relevant central government departments as early as possible to build the Lingdingyang Bridge to Hong Kong," he said.

Of the huge investment, 22 billion yuan (\$3.9 billion) will be made during the Eighth Five-Year Plan (1991-95), 68 billion yuan (\$11.9 billion) during the Ninth Five-year Plan (1996-2000), and 145 billion yuan (\$25.4 billion) during the 10th Five-Year Plan period (2001-05).

Besides the massive capital construction, Zhuhai will continue to adapt management to conform to international practices in hopes of attracting more overseas investment, Liang said.

By the end of last year, Zhuhai had approved 2,665 overseas-invested projects with a total investment of \$5.52 billion, of which overseas commitments accounted for \$3.886 billion.

Actual overseas investment in 1992 totalled \$865 million. Altogether, 1,063 overseas-invested enterprises were in operation as of last year.

Liang said Zhuhai will continue to emphasize scientific and technological modernization to further promote economic growth and industrial renovation.

In a bid to attract more domestic talent and lure Chinese students studying abroad, he promised huge awards for scientists and technicians who make big contributions to Zhuhai's development.

In the next 13 years, Zhuhai will speed up construction of the West District—whose inclusion in the Zhuhai Special Economic Zone was approved by the State Council last year.

With the construction of the Zhuhai Port, Liang said, "we will try to get approval from the central government to turn the West District into an entrepot trade centre."

The West District has already become a magnet for overseas investors. Altogether 135 foreign-funded projects in the area were approved last year, 82 percent more than in 1991.

Liang said more investment will be injected to help promote Zhuhai's foreign trade.

Zhuhai now has more than 200 companies, specializing in foreign trade. Their exports last year were valued at \$922.78 million.

Liang said Zhuhai will try to maintain last year's export growth of 32 percent over the next few years to raise enough foreign exchange to buy high-tech imports.

### **Henan Jan-Apr Industrial Output Up by 17.7 Percent**

*HK1905144593 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 15 May 93*

[Summary from poor reception] Since the beginning of this year, the whole province has been making great efforts in implementing the central authorities' regulations on changing enterprise operational mechanisms.

Concrete measures have been worked out to invigorate enterprises which can enjoy greater autonomy in handling their own operational affairs. As a result, enterprises throughout the province are now enjoying great vigor and a much-improved external environment.

Under such a good situation, sustained high-speed growth has been registered in industrial production. During the first quarter of this year, the total industrial output value of enterprises at the township level and above reached 4,222 million yuan, up by 17.7 percent over the same period last year, while total industrial sales value increased by 19.7 percent with a production-sales rate of over 93 percent.

This year, sustained growth has been maintained in Henan's industrial production and sales, and the growth rate has accelerated month by month. While industrial production is undergoing high-speed growth, comprehensive economic efficiency has also been enhanced. The comprehensive economic efficiency index for industrial enterprises across the province stood at 91.4 percent, up by 20.7 percentage points over the same period last year. In particular, the economic efficiency of industrial enterprises within the state budget has been enhanced by a large margin. During the first four months of this year, the total sales revenue of these enterprises went up by 33.1 percent, sales tax increased by over 30 percent, and the total loss incurred by loss-making enterprises dropped by 13.5 percent.

### **Southwest Region**

#### **Guizhou Leaders Attend Enterprise Group Ceremony**

*HK2105053293 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 18 May 93*

[Text] Guizhou Sitianhua Enterprise Group put up its signboard and opened for business in Guiyang yesterday morning. Wang Chaowen, deputy secretary of the provincial party committee, and Chen Shineng, governor, cut the ribbon in the opening ceremony, and Liu Zhengwei, secretary of the provincial party committee, presented the business certificate of the Sitianhua Enterprise Group to the company.

The core enterprise of Sitianhua Enterprise Group—Sitianhua—is a first-class large state enterprise. It is sound and rich in talented personnel, funds, technology, and management and is equipped with a complete line of large chemical fertilizer equipment imported from the United States and the Netherlands. Its annual productive capacity is 300,000 tonnes of synthetic ammonia and 480,000 tonnes of carbamide. It has fixed assets equivalent to 350 million yuan and funds at its disposal amounting to over 200 million yuan.

In the course of deepening reform in large and medium state enterprises and transforming enterprises' operational mechanisms, it associated itself with 16 other

enterprises, including Hainan Jintong Industrial Development Company Limited, Guangdong Danshui Huaye Plastic Company Limited, Chengdu Xinan Associated Large Chemical Fertilizer Company, and Guiyang Special Fiber Plant, to form the Sitianhua Enterprise Group. These enterprises cover a wide range of operations, such as production, scientific research, banking, tourism, tertiary industry, among others, and form a relatively large comprehensive transregional and multitrade economic entity, which integrates science with industry and trade.

#### **Sichuan Governor Outlines Development Plan**

*HK2005133993 Hong Kong WEN WEI PO in Chinese  
15 May 93 p 2*

[By staff reporter Wang Po-yao (3769 0130 6674) in Chongqing: "Sichuan To Invest \$4 billion in 'Tianfu Development Plan'"]

[Text] Chongqing, 14 May (WEN WEI PO)—With reform and opening up proceeding in depth, southwest China is gathering steam to effect an economic takeoff. Sichuan is planning to launch a major development program: the "Tianfu Plan." The plan needs an immediate investment of \$4 billion. Well-known consortia in Hong Kong and Taiwan are very interested in taking part in the program. A consortium headed by, Li Ka-shing, a well-known businessman in Hong Kong, sent a 10-member advance party to Sichuan not long ago to hold consultations with the Sichuan authorities. The two parties signed a declaration of intent.

Sichuan Governor Xiao Yang told a visiting Hong Kong media group about the plan this afternoon. Xiao Yang said: Under the program, electronics and automobile industrial bases will be built in western Sichuan, petrochemical and metallurgical industrial bases in eastern Sichuan, and natural gas bases in southern Sichuan.

Xiao Yang added: Apart from investing in the above program, Li Ka-shing's group has also signed agreements with related departments in Sichuan to set up joint ventures offering inland water transport services and to build a dual track railroad for the Fucheng [fu cheng 7079 2052] Railroad.

Xiao Yang said: "For inland areas, opening up means opening to other areas in the country. Herein lies the inland areas' strong point. If we do not give play to this strong point, it will be impossible to narrow the gap between the coastal and inland areas." In fact, he continued, if we only consider opening to areas outside the country's borders, we will bind ourselves hand and foot. Opening up is designed to develop the economy and opening up to areas outside the country's borders only serves as a way to develop the economy. For inland areas, opening up should mean opening to other areas in the country. There are natural resources, energy, technical personnel, and markets in inland areas. That is where their strong points lie, and these strong points are no match for the coastal areas.

Xiao Yang specifically explained his point: In opening up to other provinces in the country, we will give priority to domestic markets, introducing foreign funds, and allowing foreign investors to sell their products mainly in inland areas. The central government has granted the same preferential policies to the Chongqing economic and technological development area as it did for the special economic zones. We do not require foreign investors to sell a set proportion of their products abroad or to balance foreign exchange payments.

#### **Sun Tongchuan Elected Chongqing City Secretary**

*OW2005152693 Beijing XINHUA in English 1419  
GMT 20 May 93*

[Text] Chongqing, May 20 (XINHUA)—Sun Tongchuan was elected here today secretary of Chongqing city committee of the Communist Party of China (CPC).

The election was held at the enlarged first plenary session of the seventh CPC Chongqing city committee. Participants at the meeting also elected Liu Zhizhong, Jin Lie, Huang Lipei, and Teng Jiuming (Miao nationality) vice-secretaries.

Sun Tongchuan is an alternate member of the 14th Central Committee of the CPC.

### **North Region**

#### **Beijing People's Congress Lists Personnel Appointments**

*SK2105093893 Beijing BEIJING RIBAO in Chinese 8  
May 93 p 1*

[Personnel appointments decided by the Beijing Municipal People's Congress Standing Committee at the Second Standing Committee meeting of the Municipal People's Congress on 7 May]

[Text] Liu Fuhai [0491 4395 3189] was appointed as director of the Agriculture and Forestry Office of the Beijing Municipal People's Government.

Wan Jinqing [8001 6651 1987] was appointed as chairman of the Beijing Municipal Physical Culture and Sports Commission.

Sha Zhiyuan [3097 0037 3104] was appointed as chairman of the Beijing Municipal Nationalities Affairs Commission.

Wang Jianlun [3769 1696 0243] was appointed as director of the Beijing Municipal Labor Bureau.

Zhai Hongxiang [5049 7703 4382] was appointed as director of the Beijing Auditing Bureau.

Zhang Yanli [1728 3601 7787] was appointed as director of the Beijing Municipal Agriculture Bureau.

Wu Guiyun [0702 2710 0061] was appointed as director of the Beijing Municipal Grain Bureau.

Hua Shufang [5478 3359 5364] was appointed as director of the Beijing Municipal Scientific and Technical Cadres Bureau.

Lian Lian [6647 1670] was appointed as director of the Beijing Municipal Technological Supervision Bureau.

Chen Zhong [7115 1813] was appointed as director of the Beijing Municipal Higher Education Bureau.

Tao Chunhui [7118 2504 6540] was appointed as director of the Beijing Municipal Education Bureau.

Ma Shuping [7456 0647 1627] was appointed as director of the Beijing Municipal Adult Education Bureau.

Li Tingzhi [2621 1694 5347] was appointed as director of the Beijing Municipal Radio and Television Bureau.

Jiang Xiaoyu [5592 2400 1946] was appointed as director of the Beijing Municipal Culture Bureau.

Long Xinmin [7893 2450 3046] was appointed as director of the Beijing Municipal Press and Publication Bureau.

Zhu Zonghan [2612 1350 3211] was appointed as director of the Beijing Municipal Public Health Bureau.

#### **Hebei Holds CPC Plenary Session 27-29 Apr**

*SK2105071793 Shijiazhuang HEBEI RIBAO in Chinese 30 Apr 93 p 1*

[Text] The sixth plenary session of the Fourth Hebei Provincial CPC Committee was held in Shijiazhuang from 27 to 29 April.

Forty-six members and alternate members of the provincial party committee attended the session, and eight people were absent on leave. Present at the session as nonvoting delegates were members of the provincial advisory commission and the provincial discipline inspection commission; party-member chairman and vice chairmen of the standing committee of the provincial people's congress; party-member vice governors of the provincial government; party-member chairman and vice chairmen of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC]; responsible comrades of the provincial military district; secretaries of the prefectural and city party committees; principal party-member responsible comrades of the provincial-level departments and committees, departments and bureaus, and mass organizations; and party-member secretaries of the universities and colleges under the municipality. Among those invited to attend the session by the provincial party committee were veteran comrades of noble character and high prestige who had held leading posts in the province. A total of 236 people attended the session as voting and nonvoting delegates.

Standing committee members of the provincial party committee attended the session. Cheng Weigao, Lu Chuanzan, Li Bingliang, Ye Liansong, Liu Shanxiang, Chen Yujie, Li Haifeng, Han Licheng, Zhang Zhenhuai, Xu Yongyao, Zhan Jinduo, and Li Zhanshu attended the session and were also seated on the rostrum.

The session conscientiously studied General Secretary Jiang Zemin's important speech at the second plenary session of the 14th party central committee; examined and approved, in principle, the provincial government's "(Draft) Program for Rejuvenating Hebei" and "Suggestions for the Eighth Five-Year Plan and the 10-Year Plan" that will be submitted to the first session of the eighth provincial people's congress for examination; examined and unanimously approved namelists of candidates recommended by the provincial party committee to staff provincial-level state organs which will be submitted to the first session of the eighth provincial people's congress by the provincial party committee and the namelists of leader candidates recommended by the provincial party committee for the provincial CPPCC committee to be submitted to the first session of the seventh provincial CPPCC committee; and made good ideological and organizational preparations for convening the first session of the eighth provincial people's congress and the first session of the seventh provincial CPPCC committee. The session also examined and approved the summing-up work report of the provincial advisory commission and the suggestion on abolishing the provincial advisory commission. The session unanimously maintained: Over the past eight years since its establishment, the provincial advisory commission has made positive efforts to support the work of the provincial party committee, made many fruitful achievements, and made important contributions to promoting Hebei's reform, opening up, and construction and to consolidating and developing a political situation characterized by unity and stability. The session extended lofty respects to the veteran comrades of the provincial advisory commission and also pointed out: From now on, we should, as always, conscientiously listen to the opinions and suggestions of veteran comrades and work together with them to improve the work of Hebei. The session also approved the provincial discipline inspection commission's suggestion on dismissing Comrade Li Mingzhu's membership in the provincial party committee.

Cheng Weigao, secretary of the provincial party committee, made an important speech at the conclusion of the session.

The session participants stressed: The 14th party congress and the second plenary session of the 14th party central committee implemented the guidelines of Comrade Deng Xiaoping's important talks made during his inspection of south China and unswervingly persisted in the guiding ideology of grasping favorable opportunities to speed up development. The party committees at various levels and the vast number of party members should have the spirit of continuing in bravely forging ahead, positively welcome and experience the historical



test of grasping opportunities to speed up economic development, and hand in an examination paper which satisfies the party and the people. Reviewing the past year's work generally, we can say that the province grasped the favorable opportunity of development under the guidance of Comrade Deng Xiaoping's important talks made during his inspection of south China and the guidelines of the 14th party congress. However, we need to note that we have not done enough to firmly, solidly, and accurately grasp favorable opportunities in comparison with advanced provinces and municipalities and Hebei's existing advantages and conditions. Some localities are even losing their favorable opportunities. The failure to firmly grasp favorable opportunities may be attributed to our insufficient understanding of the issue of rushing to grasp favorable opportunities, a high starting point in this regard, or the lack of daring in grasping opportunities. The failure to solidly grasp favorable opportunities indicates that some localities' ideas, plans, and projects are not well thought of, and are poorly organized and implemented. Although some measures and methods are appropriate, the situation for implementation is not so good. The failure to accurately grasp favorable opportunities means that we do not completely grasp some great matters that should be grasped in the course of reform, opening up, and economic development. The leaders of some localities, departments, trades, and units stick too close to old ideas and old work habits, are spiritless, and hang back. As a result, they pass up favorable opportunities and fail to promote economic development and improve their work. Favorable opportunities are objective and rare occurrences. The process of grasping favorable opportunities is to bring subjective activity into full play and to objectively use favorable conditions to develop ceaselessly. We should approach from the high standards of the times to clearly understand favorable opportunities, have a sense of responsibility for history, cherish favorable opportunities, and adopt a scientific attitude to make good use of favorable opportunities.

The session participants maintained: The key to grasping favorable opportunities in order to speed up economic development and build Hebei into an economically powerful province in the 1990's is to further emancipate the mind and inspire enthusiasm. Although we have made great progress in this regard, we must not think that we have completed the task of emancipating the mind. When compared with areas where the economy is well developed and the degree of reform and opening up is comparatively high, we still have many "leftist" ideas and old ways of thinking. These remain major obstacles for advance. Generally speaking, emancipating and changing the mind is done by making our ideas and ways of thinking suit new situations where the socialist market economy is developing rapidly. We should overcome the attitude of self-satisfaction and further strengthen the sense of urgency. We must see that the province's overall economic strength and development level are not that of the large coastal province it is. Although the province made noticeable progress in the economic development

last year, the achievements were made on the basis of a low starting point. So, we must not be blindly satisfied. We should change the spiritual state of self-restriction and further strengthen awareness for pioneering work. The development of the socialist market economy provides us with not only favorable opportunities but also challenges. Only when we are brave and good at doing pioneering work, make bold attempts and move ahead, daringly take chances, and dare to step onto a big stage will we be able to make great accomplishments. Otherwise, if we constantly glance right and left, we will be full of worries on determining whether a move is socialist or capitalist, too hot or too cold, leftist or rightist and thus lose golden opportunities and bury favorable opportunities. We should change the established modes of thinking of relying on the state for everything and strengthen awareness of competition. In addition to the step-by-step setup and improvement of the socialist market economic system, markets not only face sharp competition for distribution of resources but also show great promise. Whoever has a broad mind, new ways of thinking, and good methods and takes quick action will be able to obtain more shares in distribution of resources. We will often gain the initiative in every step if we take the first steps and we will always find ourselves in a passive position if we lag behind at the first step. To realize this, we must dare to go ahead of others and be indomitable, grasp information, react quickly, make accurate judgment, and resolutely make policy decisions. It is necessary to eliminate the theory that conditions alone decide everything and further strengthen the awareness of development. We enhance the awareness of crisis, the awareness of doing pioneering work, and the awareness of competition to promote economic development. Development is truth as well as a starting point and an ending point to think over problems. There must be conditions for speeding up development. However, conditions are not unchangeable but can be transformed. It also does not mean that we cannot make development until we obtain all conditions. With a strong awareness of development, we are able to fully use existing advantages and conditions and try everything possible to create conditions where there are none. Without being well aware of development, we will blindly stress difficulties and have an easy conscience even when we are behind others. Therefore, although conditions should be stressed, they do not determine everything. We should free ourselves from the restricting thought that conditions alone determine everything. So long as we fully use favorable conditions, positively transform unfavorable conditions, and strive to create and develop new conditions will we be able to pioneer ways for speeding up development.

The session participants maintained: Under the new situation of speeding up reform, opening up, and economic construction, the party's propaganda and ideological task is not eased but burdened even more, and the demands for party propaganda and ideological work are not lowered but heightened. The party committees of some localities and units, however, ignore and weaken

propaganda and ideological work. Party organizations at various levels should conscientiously learn from previous practices of paying more attention to economic construction at the expense of neglecting ideological and political work; ideologically and practically placing the party's propaganda and ideological work in place; persist in the principle of "firmly grasping economic construction with one hand and ideological and political work in the other," vigorously strengthen propaganda and ideological work under the new situation, promote and ensure a sound development of reform, opening up, and economic construction. The ideological and political work is a basic task for ideological construction. The key to achieving this work hinges on conscientiously studying and propagating the guidelines of the 14th party congress and extensively and deeply conducting education on studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the basic line of the party. Now, the provincial propaganda and ideological front should closely proceed from its work and ideological reality, deepen propaganda and discussion on grasping favorable opportunities to speed up development, and gain the motivation to promote reform, opening up, and economic development. Along with the step-by-step setup of the socialist market economic system, various kinds of changes have taken place in people's mentality. So, we must remain sober-minded so as to accurately analyze and understand some major issues. For instance, it is right that the people be more concerned with the economy and pay more attention to economic profits following the development of the market economy. However, it is wrong to neglect politics and ideological and political work. Emphasizing the improvement of efficiency, making profits, and making money is above criticism. But, we must oppose such wrong ideas and activities as regarding money as being so far above everything that profit-making is first before anything else, and cheating or outwitting others is permitted. Being considerate of personal interests, we should stress the fundamental purpose of serving people. Personal interests should be pursued on the premise of not damaging the interests of the state, the collectives, and others. Along with the development of production, we should gradually improve the people's lives. However, we should also vigorously carry forward the spirit of waging an arduous struggle, being diligent, and economizing. The unhealthy practice of indulging in ostentation and extravagance and wantonly using state property must be banned. To develop the market economy, we should stress public relations and oppose, investigate, and handle the activities of exchanging money for rights and abusing power for selfish gains. In short, in developing the market economy, we should proceed from reality to strengthen ideological education on patriotism, collectivism, and socialism; help the vast number of party members, cadres, and people foster accurate ideals, beliefs, outlook on life, and the outlook on value; persist in the purpose of serving the people wholeheartedly; and vigorously advocate the 64-character pioneering spirit as set forth by Comrade Jiang Zemin recently. The literary and artistic front should persist in serving the people and

socialism and the principle of letting a hundred flowers blossom and a hundred schools of thought contend so the province's literary and artistic work continues to flourish. We should stress both economic results and social benefits and put social benefits in the first place when making cultural and artistic products.

The session participants maintained: Intensifying the role of the people's democratic dictatorship, accurately analyzing and handling the people's internal contradictions under the new situation, and maintaining political and social stability is a prerequisite condition for ensuring smooth progress in economic construction, reform, and opening up as well as an important guarantee for developing the great cause of building socialism with Chinese characteristics. We should continue to persist in the principle of strictly dealing blows to those who commit economic crimes and strictly deal blows to hostile forces and various kinds of criminal activities. We should further strengthen the overall improvement of social order, continue to persist in the principle of responsible persons taking the sole responsibility for contracted management of the social order and the masses engaging themselves in the improvement of the social order on a responsibility basis, and grasp the implementation of various measures. Due to such subjective reasons as contradictions and frictions between new and old systems; the readjustment of the relations among various sectors of the economy and the relations among the interests of the state, the collectives, and the individuals; the changes in the people's ideas; the failure to coordinate the stagnant nature of some legal systems with reform; and the ill work style of some cadres, the people's internal contradictions are becoming more complicated every day, and some of the contradictions are even more sharp. The party committees at various levels should have the spirit of assuming high responsibility to the party and the people and conscientiously handle and treat the people's internal contradictions. We should conscientiously analyze the comparatively prominent problems relating to the people and set forth accurate measures for solving them. The leading cadres at various levels should regard the accurate handling of the people's internal contradictions as a major task under the new situation and master the basic skill to eliminate these contradictions. We should strive to discover, as soon as possible, the people's internal contradictions; ensure the elimination of these contradictions as soon as they emerge in the grass root, and the localities; and strive to avoid creating the phenomena of contradictions becoming acute and serious.

Reforming party and government organizations and streamlining administration is not only an urgent task for reforming the political system but also an important condition for promoting the deepening of the reform of the economic system and the setup of the socialist market economic system. We should conscientiously implement the guidelines of the instructions of the central authorities, make a unified plan according to the

central link of changing the government functions, carefully organize forces to implement the plan in a step-by-step manner, and positively and steadily reform the party and government organizations at various levels. Organizational reform is related to the readjustment of power structure and interests. The party committees and governments at various levels should strengthen organizational leadership and the ideological and political work. We should educate the vast number of cadres and office workers in the overall situation, take the overall situation into consideration, treat the organizational reform accurately, stabilize the people's thinking and feelings, eliminate ideological obstacles, and achieve the work in various spheres. It is important to encourage some scientific professionals and technicians to leave the organs to run economic and service entities. We should ceaselessly sum up the successful experiences in this regard and study and draw up plans for encouragement and preferential policies. Simultaneously, we should also train and send cadres to the grass roots to help strengthen the construction of key projects and the work of industrial and commercial, tax, and political and legal departments.

The session participants stressed: Conscientiously persisting in the democratic centralism is an important guarantee for promoting the progress of reform, opening up, and economic construction as well as an important task for strengthening the construction of the leading bodies at various levels. Members of the party committee leading bodies should be responsible for persisting in democratic centralism on the premise that the leading body "chiefs" should assume the major responsibility. The party organizations at various levels should comprehensively and accurately implement the system of linking collective leadership with division of work on a responsibility basis. The major issues relating to economic construction, reform, opening up, social development, party building, and the interests of the people should be decided through collective discussions of party committees (party organizations). The party committee leading body chiefs should widen ways for talks so that all leading body members will be able to talk freely, place their opinions on the desk, fully discuss and talk about different opinions, and resolutely implement the decisions made through collective discussions. We should strengthen the unity of the leading bodies at various levels, perfect the inner-party political life, conscientiously conduct criticism and self-criticism, and upgrade the leading bodies' ability in solving contradictions.

The session participants pointed out: The tasks ahead of the party committees at various levels are extremely arduous. The current situation where the economic construction is widespread and involves various spheres, and reform and opening up have a wide range and high quality has never emerged before. In particular, in the course of turning the planned economy into the market economy, the new and old systems rub against each other, many contradictions coexist, and new situations emerge endlessly. All of this has added complications

and difficulties to the leadership of the party committees at various levels. To suit the demands of the new situation and new tasks, the party committees at various levels should pay more attention to operating from a strategically advantageous position, take the overall situation into consideration, think of and discuss great matters, and improve the ability in governing the development of things. The leaders should put the focus of work on the most important issues with the most decisive significance and attend to the major contradictions and weak links. We should strengthen the study of Marxism, conscientiously conduct investigations and study, be good at observing and analyzing problems in line with the overall situation, try to know things according to their development, and strive to make accurate work arrangements. Under the complicated situation, we should stay politically sober-minded, be good at approaching problems from a political point of view, and avoid partiality.

The session participants maintained: Major policies have been worked out, and objectives and tasks have been defined. We should concentrate on doing solid work. To this end, the session participants called on the vast number of party members and the masses of the people across the province to grasp favorable opportunities, meet difficulties head on, wage an indomitable struggle, work with one heart and soul, unite with one another, work in a down-to-earth manner, rejuvenate the province through solid work, and fight for turning the magnificent blueprint for building Hebei into an economically strong province into splendid reality.

#### **Inner Mongolia's Wang Qun at CPPCC Meeting**

SK2105094093 Hohhot NEIMENGGU RIBAO in Chinese 5 May 93 p 1

[Text] The first session of the Seventh Inner Mongolia Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC] ceremoniously opened in Hohhot on the morning of 4 May.

Entrusted by the presidium, Executive Member Qian Fenyong presided over the opening ceremony.

Seated in the front row on the rostrum were Zhang Zuocai, Nai Deng, Wang Chongren, Chen Jie, Lan Qianfu, Wu Lan, Qi Zongyi, Zhang Shunzhen, Yuan Mingduo, Geriletu, Wulunsai, Xia Ri, Yang Zizhen, Chen Youzun, and Xu Bonian, executive members of the presidium.

Wang Qun, Bu He, Wuliji, Liu Yunshan, Bai Enpei, Batubagen, Shi Shengrong, Geriletu, and Diao Congzhou attended the ceremony to extend warm congratulations. They were also seated on the rostrum.

Also attending the ceremony and seated on the rostrum were veteran comrades Wang Duo and Wang Zaitian who had worked for Inner Mongolia for a long time.



The Seventh Inner Mongolia Autonomous Regional CPPCC Committee consists of 465 members, and 445 of them participated in the current session, thus having a quorum.

At 0830, Qian Fenyong declared the first session of the seventh regional CPPCC committee open. After the playing of the national anthem, Qian Fenyong said: The first session of the seventh regional CPPCC committee is convened under the guidance of the guidelines of the important speeches made by Comrade Deng Xiaoping during this south China inspection tour, after the conclusion of the 14th CPC National Congress, the first session of the Eighth National People's Congress, and the first session of the Eighth National CPPCC Committee, and at the critical moment that the national and the regional political situation is stable, the economy is developing rapidly, and reform and opening up has entered a new stage. This session is devoted to hearing the report on the work of the Standing Committee of the sixth regional CPPCC committee and to electing chairman, vice chairmen, secretary general, and standing committee members of the seventh regional CPPCC committee. All members will also attend as nonvoting deputies the first session of the eighth regional people's congress and hear and discuss the regional government work report and some other reports.

Nai Deng, vice chairman of the sixth regional CPPCC committee, delivered a report on the work of the standing committee of the sixth regional CPPCC committee. He said: Over the past five years, the region's reform and opening, development and construction, and all other undertakings have rapidly progressed as never before. Under the leadership of the regional party committee, under the guidance of the National CPPCC Committee, and with the support of various democratic parties and related people's groups and departments in the region, the regional CPPCC committee has firmly implemented the basic line of "one central task and two basic points" as well as various principles and policies regarding the united front, has conscientiously executed the resolutions adopted by previous sessions, has firmly depended on all its members and the personages on all circles to conduct work in a positive way, and has made great contributions to facilitating economic construction of the region, safeguarding national unity and social stability, and facilitating the peaceful reunification of the motherland.

At the conclusion of his report, Nai Deng said: New situations and new tasks have given new missions to the CPPCC and have provided a vast field for the CPPCC to display its role. We should profoundly study and comprehend Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and Comrade Jiang Zemin's report at the 14th CPC National Congress. We should enhance our understanding, emancipate our minds, seek truth from facts, strengthen unity, consolidate and develop the patriotic united front, and safeguard the political stability and unity. We should unswervingly uphold the party's basic line, focus on

economic work and key points, encourage the free airing of views, participate in and discuss political affairs, and actually perform the basic functions of political consultation and democratic supervision. We should pay attention to going deep to the grass-roots areas to conduct investigation and study and take full advantage of our favorable conditions in talented people and intelligence to actively conduct activities to strengthen the friendly relations with other domestic areas and the world. We should further strengthen the self-construction of the CPPCC, strengthen organizational building, and strive to raise the CPPCC work to a new level.

The motions committee of the sixth regional CPPCC committee delivered a written motions work report to the session. Qian Fenyong relayed (in written form) the guidelines of the first session of the Eighth NPC and the first session of the Eighth National CPPCC Committee.

Also present at the session and seated on the rostrum were Wuyunqimuge, Butegeqi, Zhang Cangong, Seyinbayaer, Xu Lingren, Bai Junqing, Liu Zhenyi, Sha Tuo, Zhou Rongchang, Cui Weiyue, Yu Xinglong, Liu Zuohui, Alatanaoqier, Zhao Zhihong, Yi Junhua, Lin Yongsan, Song Zhimin, Yun Bulong, Wuligeng, Han Ming, Li Shuyuan, Baoyanbatu, Yun Zhaoguang, Tu Ke, Yun Shufen, Zhou Junqiu, and members of the presidium.

Attending the session as observers were responsible persons of CPPCC committees of various leagues and cities, including Erenhot and Manzhouli cities; responsible persons of united front work departments of various leagues and cities; responsible persons of various democratic parties in the region; responsible persons of the regional industrial and commercial federation, the regional returned Overseas Chinese federation, the regional Taiwan compatriots federation, the regional office directed at Taiwan, the regional counselors' office, the regional research institute of culture and history, the regional nationalities affairs commission, the regional religious bureau, and the Huangpu Military Academy Alumni; responsible persons of the concerned organs of the regional CPPCC committee; counselors of the regional counselors' office; and members of the regional research institute of culture and history.

#### **Inner Mongolia Holds CPC Session 28-29 Apr**

SK2105095093 Hohhot NEIMENGGU RIBAO in Chinese 30 Apr 93 p 1

[Text] The fifth Inner Mongolia Autonomous Regional CPC Committee held its seventh plenary session in Hohhot on 28 and 29 April.

Members and alternate members of the autonomous regional party committee attended the session. Attending as observers were members of the leading party groups of the autonomous regional party committee, government, and committee of the Chinese People's Political Consultative Conference [CPPCC]; advisers to the autonomous regional government; leading comrades of the autonomous regional discipline



inspection commission and military district; and major responsible comrades of various leagues and cities and some departments directly under the region.

The session was chaired by Wang Qun, secretary, and Bu He, Qian Fenyong, Wu Liji, and Bai Enpei, deputy secretaries of the autonomous regional party committee. Wang Qun and Bu He gave speeches. Entrusted by the autonomous regional party committee, Bai Enpei spoke to explain the personnel arrangements for the end-of-term shuffle of the autonomous regional people's congress, government, CPPCC committee, court, and procuratorate.

Comrade Wang Qun's speech was divided into three parts on 1) a correct appraisal of the work of the past five years; 2) seizing the opportunity to accelerate development; and 3) making the reshuffle successful.

Wang Qun said: Compared with 1987, Inner Mongolia's gross national product [GNP] grew by 46.6 percent in 1992, showing an average annual increase of 8 percent, which exceeded our planned target of 7 percent and was 0.1 percentage point higher than the national average of 7.9 percent. Some of our economic norms ranked higher in the country in the past five years. The ranking of our grain output rose from 21st to 17th, and per-capita share of grain from 20th to third; our agricultural output value registered an average annual increase of 8.2 percent, which was 3.3 percentage points higher than the national average of 4.9 percent for the same period; the volume of imports and exports rose by 25.2 percent a year in average, which was 10.3 percentage points higher than the national average of 14.9 percent; revenues increased by 15 percent a year, which was higher than the national average of 11 percent; our ranking of raw coal production rose from eighth to seventh, and our ranking of electricity output from 18th to 15th; the investment in fixed assets grew by 22.9 percent a year, higher than the national average of 15.8 percent, and the total investment exceeded 46.3 billion yuan, greater than the total of the preceding 40 years. In the late Eighth Five-Year Plan period and the Ninth Five-Year Plan period, such a large investment will be turned into tremendous productive forces to enhance the strength and capacity for the long-term economic development of the region and to lay a still more solid foundation for the region to narrow its gap from developed areas. Meanwhile, compared with 1987, peasants' per-capita net income increased from 425.8 yuan to 719 yuan in the region in 1992, and peasants and herdsmen by and large had sufficient food and clothing and began to march toward a fairly comfortable life. Urban people's per-capita cost-of-living income rose from 745.1 yuan to 1,344.5 yuan, and workers' average cash wage from 1,301 to 2,339 yuan. Despite price rises, urban and rural people still witnessed fairly great improvement in their clothing, food, living and transportation conditions, daily necessities, and cultural life. While affirming achievements, we should also note that our gap from developed areas was widened in some aspects. We have noticed such problem and begun to solve it.

Wang Qun said: Seizing the opportunity to accelerate development has become a common understanding of the entire party and the people throughout the country. The key of this issue is whether we have a strong sense of opportunity and whether such a sense can be vividly reflected in our practical work to maintain for a long period the current good trend in economic development. He said: To seize the opportunity, we should see that the autonomous region is indeed faced with a good opportunity for great development. To seize the opportunity, we should give prominence to priorities and lose no time in promoting basic industries and pillar industries. To seize the opportunity to accelerate development, we should speed up the reform aimed at establishing the socialist market economy system, continue to open wider to the outside world, and use reform and opening up to promote development. To seize the opportunity to accelerate development, we should adopt some unconventional measures and achieve breakthroughs in developing regional economies and promoting lateral cooperation. To seize the opportunity, we should adhere to the guiding thought of striving for quicker speed whenever possible to ensure a faster growth rate in the region's economy. To seize the opportunity to accelerate development, we should strengthen and improve our leadership work.

Comrade Bu He spoke on four issues: 1) The full preparations made by the autonomous regional party committee for the convocation of the "two sessions" of the autonomous region; 2) strengthening the sense of opportunity; 3) fully understanding the important significance of the "two sessions"; and 4) strengthening party leadership.

Bu He said: The autonomous regional party committee have made full preparations in ideology, organization, and other aspects for the convocation of the "two sessions." We affirm our preparations, which are aimed at better unifying people's thinking and meet the central demand on the region's "two sessions." We should achieve unity in our thinking concerning the important significance of the "two sessions," concerning the correct attitude toward whether to be retained or dismissed and whether to be promoted or not promoted, and concerning the need for seizing the opportunity to accelerate development. We are now faced with an extremely good development opportunity, and the region enjoys a flourish economy, national unity, and social stability. The party and state have shown increasingly greater concern for and attached increasingly greater importance to the economic construction of the central and western parts of the region, and we also have a very good foundation. This represents the best development opportunity in our history. Therefore, we should value this opportunity and use it well to achieve faster and better results in promoting economic construction. We must have a democratic, united, realistic, and pioneering spirit to make the sessions successful.

Participants at this plenary session conscientiously discussed Comrade Wang Qun's speech. They held: Inner

Mongolia affected tremendous changes in its politics, economy, and society in the past five years. This was attributed to the thorough implementation of the party's basic line consisting of "one central task and two basic points" by the people of the various nationalities throughout the region under the leadership of the autonomous regional party committee and to their efforts to deepen reform and open wider to the outside world with the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Practice of the past five years showed that our development idea for economic work, which emphasized the need for adjusting the structure, laying a good foundation, and improving the level based on the region's reality, was correct and had created good results. We may say that the past five years were a period when the region achieved great development and great progress, a period when the people of the various nationalities across the region enjoyed the greatest benefits, and a best period in the region's history of development.

The participating comrades held: The forthcoming first session of the eighth autonomous regional people's congress and the first session of the seventh autonomous regional CPPCC committee are a major event in the region's political life. A success in personnel arrangements and smooth end-of-term elections will have a great significance in adhering to the party's basic line of "one central task and two basic points," in fulfilling the various tasks put forward at the 14th national party congress and the first session of the Eighth National People's Congress, in accomplishing the region's Eighth Five-Year Plan and 10-year program, in strengthening the region's socialist democratic politics and organs of power, and in promoting the region's reform, opening up, prosperity, and development. The proposed namelists submitted by the autonomous regional party committee standing committee to the eighth autonomous regional people's congress and the seventh autonomous regional CPPCC committee are appropriate. The personnel arrangements are the result of the efforts to fully develop democracy and follow the mass line. They reflect not only the guidelines of relevant central instructions but also the principle of overall consideration and all-around arrangement based on the reality of the region, the need for strengthening leading bodies, and work requirements.

Comrade Qian Fenyong gave a speech at a preparatory meeting held on the evening of 27 April.

#### **Inner Mongolian Experimental Zone's Achievements**

*SK2105095893 Hohhot NEIMENGGU RIBAO in Chinese 29 Apr 93 p 1*

[By correspondent Qiao Zhiming (0829 1807 2494) and special reporter Kang Xiaolin (1660 1420 2651): "Wuhai Experimental Zone's Five-Year Reform Yields Countless Achievements"]

[Text] In the five years since 1988 when the State Council approved the designation of Wuhai city as an experimental zone for the economic structural reform, Wuhai people explored bravely, used reform to promote opening up, and used opening up to promote development, thus winning countless achievements in economic construction.

Compared with 1987, the city's industrial output value increased by 52 percent in 1992; and its revenues increased by more than 100 percent to exceed 100 million yuan. Its 1992 volume of commodity retail sales, that reflected people's consumption level, grew by 19 percent over 1991.

The advantages in resources began to be turned into economic advantages. The city implemented the development strategy of optimizing the main body (energy, building materials, and chemical industries) and strengthening the two wings (light industry and farming and livestock breeding) and took to the road of integrating coal, power, and chemical industries. Its new products, such as calcium carbide, ferrosilicon, sulphuric acid, and oxalic acid, have become greatly in demand.

A number of large projects were developed. In the five years, the city invested 1.379 billion yuan in fixed assets, of which 72 percent was invested in productive projects. Of the 29 key projects, 15 needed 10 million yuan of investment each. Construction or planning has already begun for the large-scale 1.8 million-kilowatt Haibowan Power Plant, the coking plants whose capacity totals 1.5 million tonnes, the expansion and renovation of the Xizhuozishan Cement Plant, and the development of kaolinite of coal measures.

The investment climate was improved. In the five years, the city invested almost 400 million yuan to build the Wuhai section of the No. 110 national road and a bridge over Huang He, put the 14,000-line telephone exchange equipment in service to provide domestic direct dialing service, and build a most magnificent railway station in western Inner Mongolia, three large shopping centers, and "joint venture" hotels of the three star level. Meanwhile, resources are developed for tours of Huang He, the desert, and historical remains.

Living standards were notably improved. The city reformed the housing system in line with the principle of selling, leasing, building, and managing houses simultaneously and by and large completed sales of the houses of the units under the city or districts. It also invested more than 10 million yuan to build two small residential areas where more than 180,000 square meters of houses were built. It conducted insurance reform aimed at unified management of pensions for retired personnel to ensure the timely payment of pensions to retired personnel.

Endeavors to open up to the outside world were accelerated. The city formulated relaxed policies more preferential than those of coastal areas and won the import and export autonomy. In the five years, it brought in 250 million yuan of funds from other localities, imported

205 items of technology, shipped in or distributed materials worth more than 200 million yuan to other localities, and established 16 foreign-funded enterprises of the three types. It set up eight offices in various localities of the country and established trade ties with more than 50 countries and regions.

Inspired by Comrade Deng Xiaoping's speeches given during his south China inspection tour and the guidelines of the 14th national party congress, Wuhai city extended the degree of reform and conducted brave experiments on transforming the operating mechanism of enterprises, lifting price controls, establishing markets of various types, reforming the financial system, conducting organizational reform, and coordinating the efforts of the city and coal mines. It issued 10 major reform measures and put most of them into effect, thus resolving deep-seated contradictions that impeded economic development and breathing new life into economic development. Take the coordination between the city and coal mines for example. Wuhai is a city with many industrial and mining enterprises, and 50 percent of its population of 300,000 are coal miners and their dependents. Due to the long-standing barriers between different departments or districts, the city and the coal mines were separated. In the past few years, Wuhai city made active efforts to probe reforms that would enable the city and coal mines to develop economic cooperation, benefit from each other, and achieve common development. It also strived to resolve the various contradictions arising in the Wuda and Haibowan Coal Mining Administrative Bureaus whose raw coal production was nearly 50 percent below capacity. In line with the city's strategy of processing resources in localities where they are produced, the city and the coal mines invested more than 70 million yuan together to build a coking plant with a capacity of 200,000 tonnes. They also raised 65 million yuan to buy the shares of the first-phase project of the Haibowan Power Plant, the first joint stock power enterprise of the region. Difficulties of the coal enterprises of Wuhai city will soon be fundamentally resolved.

#### **New Railway Opens in Shanxi Province**

OW2005142693 Beijing XINHUA in English 1124  
GMT 20 May 93

[Text] Taiyuan, May 20 (XINHUA)—More coal will be shipped out of north China's Shanxi Province, the nation's leading coal producer, as a result of the commissioning of a new railway.

The east-west railway runs 98 kilometers from Shenchu County to Hequ County and is connected to other lines. Initially it will shift 5.6 million tons of coal a year.

The railway cost a total of 220 million yuan (about 38.6 million U.S. dollars) raised by both the central and local governments. It is expected to help accelerate production of coal, power and aluminium industries in the north-western part of Shanxi Province.

#### **Tianjin's Gao Dezhan Meets Noted Mathematician**

SK2105071493 Tianjin People's Radio in Mandarin  
2300 GMT 20 May 93

[Text] On the evening of 20 May, Gao Dezhan, secretary of the municipal party committee, met with Chen Shengshen, a well-known international mathematician, honorary dean of the Graduate School of Mathematics of Nankai University, and member of the Academy of Sciences of the United States, and his wife Madame (Zheng Qingling), and Professor (Zhu Chengtong) at Tianjin Yingbin Hotel.

Gao Dezhan extended sincere welcome to Chen Shengshen on the latter's arrival in Tianjin. He said: Mr. Chen Shengshen has made very great achievements in the mathematical field, devoted great efforts to building the Graduate School of Mathematics of Nankai University, trained many qualified personnel, and contributed greatly to the country's scientific and technological development. Gao Dezhan heartfully thanked Mr. Chen Shengshen for supporting the teaching and building of Nankai University. He said: Tianjin is now accelerating its development pace. In the great cause of developing the municipality with science and technology, we hope that Mr. Chen Shengshen will make new contributions to promoting Tianjin's economic construction.

Mr. Chen Shengshen was full of vigor. He deeply thanked Secretary Gao for meeting with him, and at the same time, zestfully briefed the secretary on the development of Nankai University's Graduate School of Mathematics. He also expressed that he will exert new efforts to develop Tianjin's scientific and technological undertakings.

Li Jianguo, deputy secretary of the municipal party committee; Luo Yuanpeng, member of the standing committee of the municipal party committee and secretary general; and Mu Guoguang and (Hong Guoqi) were also present at the meeting.

#### **Tianjin Signs Contract for Industrial Park**

SK2105080593 Tianjin TIANJIN RIBAO in Chinese  
9 May 93 p 1

[Text] The contract signing ceremony on the transfer of land-use rights of the International Company, Limited, which is responsible for the development of the Tianjin Yixian Scientific Industrial Park, was held in Wuqing on 7 May. Yang Jingheng, member of the standing committee of the municipal party committee; Hu Xiaohuai, adviser to the municipal government; and Dr. He Yici, an industrialist of Taiwan, attended the signing ceremony.

The International Company, Limited, which is responsible for the development of the Tianjin Yixian Scientific Industrial Park is financed and established by the Beijing Shiguan Scientific and Technological Company, the China Society of State Land Economic Studies,



Tianjin Torch Scientific and Technological Development Company, and the Yixian Industrial Park Corporation of the United States. Total investment and registered capital of this company amounts to \$29.98 million, and the contracted period of this joint venture is 50 years. This company will be responsible for building the infrastructure facilities in the park, introducing and developing high scientific and technological industries, and introducing and building production and living facilities in the park. At the same time, it will also develop tertiary industry in service and develop and run real estate business in the park.

The establishment of this company will give full play to the extensive contacts and influence of all sectors, but especially that of foreign businessmen at home and abroad, and will organize and attract investment from industrialists of a high level from scientific and technological fields at home and abroad. This first transfer of rights to 1.33 square kilometers of land is part of the 10-square kilometer Yixian Scientific Industrial Park project which will be developed soon. This shows that Tianjin Yixian Scientific Industrial Park has entered into an actual stage of development. Total investment in the development of this park is 3.5 to 4 billion yuan, and it is scheduled to be completed by the end of this century. Its annual output is expected to reach \$10 billion. This Chinese "Silicon Valley" will gather many scientific and technical professionals and stimulate the municipality into pursuing the path of high scientific and technological development.

### Daily Reviews Tianjin's Industrial Achievements

SK2105080793 Tianjin TIANJIN RIBAO in Chinese  
10 May 93 p 1

[Text] During the first four months of this year, Tianjin Municipality steadily developed its industrial economy and achieved a double-digit increase in its production, marketing, and efficiency. During the January-April period, the total output value of industrial units at and above the township level reached 25.019 billion yuan, and the sales value reached 23.830 billion yuan, showing an increase of 14.95 percent and 22.74 percent, respectively, over the same period of last year.

Of this, the development trend of heavy industry and basic industry was quite rapid. Under the situation of rapid national economic growth, Tianjin Municipality's heavy industry further manifested its technological advantages, its production increased rapidly and in a sustained manner, and its economic efficiency improved further. During the January-April period, the whole municipality's heavy industrial output value reached 14.622 billion yuan, up 25.86 percent over the same period of last year. The output of major products, such as metal cutting machine tools, forging equipment, diesel locomotives, motor vehicles, cement, steel, power output, and nonferrous metals, all increased remarkably.

The production and marketing of major industries were well coordinated. Under the premise of giving

prominence to major industries, paying close attention to key products, and finding a good market, we guaranteed rational and effective industrial growth. From January to April, the sales value of state industrial units and departments reached 16.047 billion yuan and 15.32 billion yuan, respectively, showing an increase of 11.06 percent and 17.52 percent over the same period of last year. The sales rate of industrial enterprises was 99.86 percent, up 5.94 percentage point over the same period of last year. The sales rate of the motor vehicle company, the electronic meter bureau, the medical bureau, the metallurgical bureau, and the bicycle group all exceeded 100 percent.

### Northwest Region

#### Shaanxi County Punishes Cadres for Torture

HK2105053093 Xian Shaanxi People's Radio Network  
in Mandarin 0010 GMT 20 May 93

[Text] The Shiqian County party committee made a decision recently to mete out disciplinary punishment of one year's probation within the party to Wang Qianrong, secretary of Raofeng Township party committee, who brutally hit and abused the masses and seriously violated the law and discipline. A notice on this case has been circulated to all localities throughout the county.

On 25 December 1992, Wang Fazheng, Raofeng Township vice magistrate, led seven township cadres in charge of agricultural tax, including Zhang Xin, to the township's (Jixin Village) to collect family planning fines and agricultural taxes in arrears. When talking about pledges, Wang Fazheng, who was stiff in manner, using oversimplified methods, had a dispute with villager Wu Changan. Seeing that Wang Fazheng was swearing at Wu Changan, Zhang Xin dashed toward Wu Changan and knocked him to the ground. As a result, Wu suffered from shock and lost consciousness for nearly half an hour.

At this time, the watching crowd urged the township cadres on the scene to rush Wu Changan to a hospital for medical examination and treatment. However, township party Secretary Wang Qianrong refused; on the contrary, he forced Wu Changan into the township public security office and ordered him to stand against a wall as punishment. In addition, Wang Qianrong abused and beat up Wu Changan in the presence of everyone, and bumped Wu Changan's head against the wall by holding his hair. Then, he ordered Wu Changan to stand in a pool; as a result, Wu's cotton-padded trousers and shoes were sopping wet and frozen. What is more, he ordered some security officers to keep watch over Wu Changan, who was forced to stand on open ground covered with snow until daybreak.

The following day, the director of the township public security office summoned Wu Changan to his office together with several other villagers who were also involved in fighting with township cadres. He ordered

the villagers to pay fines totaling 1,040 yuan, and did not allow them to go home until they signed IOUs.

On 27 December, Wang Qianrong once again summoned six villagers, including Wu Changan, trying to force them to pay their fines. Seeing that they were unable to pay their fines, Wang Qianrong poured out a stream of abuse and hit the villagers brutally. Holding a police baton, Wang Qianrong hit the villagers violently on their faces, heads, and lower jaws again and again. The villagers being tortured were choked with tears and repeatedly begged him for mercy.

At 2000 that very night, four township cadres, including Wang Fazheng, township vice magistrate, took turns cuffing and kicking Wu Changan and other villagers again. After that, security officers Cao Xiangzhi and Xie Wanzhao ordered the villagers to first hit themselves and then beat up and kick each other until about 0000 that night. The six villagers, including Wu Changan, were not allowed to go home until they had paid all their fines one after another.

At present, all those held responsible for the incident have been respectively subjected to party and government disciplinary punishment and made to apologize to the victimized masses, and have returned all the irrational fines. However, the masses consider the punishment unduly light for the offenses. They have already filed a suit with the local people's procuratorate to seek legal action against Wang Qianrong and others involved.

### **Song Hanliang Addresses Xinjiang Work Conference**

*OW2105114693 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 13 May 93*

[From the "Xinjiang News" program]

[Text] [Video shows a female announcer reading a report with the caption "The Standing Committee of the Autonomous Regional Party Committee Discusses Measures for Implementation of Work Conference Guidelines" shown beside her] The Standing Committee of the [Xinjiang] Autonomous Regional Party Committee held a meeting on 12 May to discuss and draw up measures for implementation of the guidelines laid down by the Autonomous Regional Party Committee work conference.

The meeting decided that the leading cadres in charge of economic work of the autonomous regional party committee and government should divide their labor and assume individual responsibility; implement the responsibility system; take prompt actions; pay close attention to the implementation of reform; specifically assume leadership over the work of carrying out the six tasks put forward for the present by the Autonomous Regional Party Committee work conference; and strive to fulfill this year's economic development plan for the autonomous region in an all-around way, and promote economic development to a new level soon.

Secretary Song Hanliang of the autonomous regional party committee delivered an important speech at the meeting. He said: In carrying out the guidelines of the autonomous regional party committee work conference, the important thing for us is to take action, and the key lies in implementation. First of all, we must have a full understanding of the importance of implementation of the conference guidelines. The conference was held against a backdrop of slow and inefficient economic development, but of a rare historical opportunity in the autonomous region. The conference focused discussions on solving the problem of economic development being hampered by inadequate systems and mechanisms, tackled the key issue of reform, and put forward six tasks to make reform work. Carrying out the conference's guidelines is extremely important to deepening reform, overcoming the current difficulties, seizing the opportunity, and accelerating economic development. We definitely must implement them. To implement the guidelines of the Autonomous Regional Party Committee work conference and make actual progress in fulfilling the six tasks put forward by the conference, relevant leading cadres must divide labor and assume individual responsibility for the six tasks as well as implement the responsibility system. The principal party and government leaders of the autonomous region must assume overall responsibility for general promotion of the six tasks.

At the meeting, Deputy Secretaries Tomur Dawamat and Janabil stressed: To correctly handle the relationship between economic development and reform and to implement the guidelines of the autonomous regional party committee work conference we must first of all carry out reform and promote development through reform. Implementation of the conference's guidelines must be judged by work results. If there are no results, the conference's guidelines cannot be said to have been implemented. We must free ourselves from the trifles of routine work, hold as few meetings as possible, and participate in as few ribbon-cutting and foundation stone-laying ceremonies as possible. We must tackle the major points of work and go deep into the realities of life to conduct surveys and study. Leading cadres must maintain close links with the masses, pool the wisdom of the masses to overcome difficulties, and expedite our work. Both the leadership and the rank and file must enhance their vigor and work hard to promptly implement the guidelines of the autonomous regional party committee work conference and accelerate reform, opening up, and economic development in the autonomous region.

### **Commentator Views Xinjiang Policy Implementation**

*OW2005092293 Urumqi XINJIANG RIBAO in Chinese 27 Apr 93 p 1*

[By staff commentator: "On Policy Implementation"]

[Text] In recent years, central authorities and the autonomous region have set forth a series of policies which, if bound together, would compose a thick volume, and once policies are determined, it is critical to carry them out.

All these policies are good, but how have they been implemented? We see that some policies have been implemented, while others have not; some made a magnificent start only to tail off later; some have been only partially carried out; and some have been obstructed by "countermeasures...." All in all, such policies are far from being fully implemented.

Why is it so hard to implement policies? One of the main reasons is a lack of ideological preparation by leaders, which can be summed up as "five negatives":

First, they are unwilling to implement policies. The change of government functions is essentially to readjust the pattern of power and interests. In a sense, a planned economy can be called an economy of examination and approval, because everything needs to be examined, approved, and sealed. What is a seal? A seal represents authority. It entitles you to do what you apply for. What is power? Power means interests. Delegating power may mean a loss of a department's vested interests. Policies have faced tenacious resistance from various departments because of their own interests. Some department leaders only pay lip service to delegating power, while they grasp their power firmly, or they delegate power to lower levels in name only. The 14 decisionmaking powers are like a kite flying over enterprises that is within sight but beyond reach; furthermore, the string tied to the kite is under others' control. True, some powers have been delegated to lower levels—from higher and larger organs to lower and smaller ones—and such powers just move around in "government offices"; they are never delegated to enterprises. Because powers decontrolled by the higher authorities are withheld by lower authorities, the just "untied" enterprises are "shackled" again, and they can do little without decisionmaking power.

Second, they are afraid of implementing policies. Although policies are good, implementing them may offend higher competent authorities. They are afraid that they will "win only once, and later lose every time," that they cannot afford to offend them, and that they dare not provoke them. It is necessary to check arbitrary collection of money or apportionment of expenses, which both imply a commanding position. Who dares to arbitrarily collect money if one is not from a higher department or in the name of that department? Departments that arbitrarily collect money or apportion expenses have a certain authority to restrain enterprises, and the enterprises are afraid that they will spoil their relations with the departments if they reject them. Even though enterprises feel reluctant to comply with their requests, they still have to do so while putting on a smile. Besides, because the social security system has not yet been established, most enterprises are afraid that dismissing

workers will intensify contradictions, which may endanger their own lives and properties. This is why they dare not terminate labor contracts, or discharge or fire workers.

Third, they do not know how to implement policies. Frequently, some leading cadres know nothing about policies when higher authorities check on policy implementation, and then it turns out that they have not yet studied the policies. They don't know anything about the policies, much less how to carry them out. Another situation is that people often hold different views on the same issue when they base their views on different policies, laws, or regulations. This is because various departments' government functions are not clearly defined, and there is no consistency in government orders. Furthermore, separated management and supervisory systems are more likely to create friction among departments. Enterprises, which suffer from being caught in between the two, are not sure whether they should employ their power or to what extent they can do so.

Fourth, they are not able to implement policies. Because the investment scale is overly large and a great amount of capital flows to the east, funds for key projects are hard to obtain. The funds earmarked for agriculture (funds for supporting cotton production and deposits for grain procurement) are considerable, but there are no actual funds available; so the policy in this regard cannot be implemented.

Fifth, they do not want to implement policies. They know clearly that peasants are overburdened; however, they continue to collect money from or apportion expenses among peasants for construction purposes. They say plausibly that what they do for peasants is reasonable and what is taken from the people is used for the people; however, just because it is reasonable does not necessarily make it legal. What they do violates regulations on alleviating the peasants' burden. Even though construction is reasonable, more should not be done than one can afford, and spending should not exceed 5 percent of peasants' per capita net income of the previous year. This is the bottom line, and it must not be challenged.

The prerequisite for policy implementation is ideological preparation and updated knowledge. If one knows nothing about the significance of issues concerning agriculture, peasants, and rural areas, it will be out of the question for him to implement a series of policies set by the central authorities and the autonomous region for strengthening agriculture. The implementation of the "regulations" is similar. The pressing task is to change ideas. It has been understood that a considerable number of government departments only pay lip service to "change" and have never changed their ideas. As of now, some department officials still hold that since the state-owned enterprises belong to the state, they should voluntarily contribute to the state; so they consider it



natural for them to extort some wealth and to indiscriminately transfer resources from enterprises. "If we do not extort large enterprises, who else are we going to extort?" In their eyes, the state-owned enterprises are government appendages. Whenever something happens, they immediately turn to the state-owned enterprises for money or other resources. Therefore, changing ideas is currently a major task in implementing policies. Without solving the problem of ideological preparation, policy implementation will be out of the question. The "five negatives" are a case in point.

Leading organs formulate policies, and it is also those organs that carry them out, so they should take the lead in implementing policies. Leading cadres at all levels

should change their work style and go down to grass-roots units. They should implement policies in places where conditions are poor, where there are more problems, or where the masses have many complaints. It is necessary to follow the vine to get the melon. How many of the enterprises' 14 decisionmaking powers have been exercised? What hinders this? Has the peasants' burden been lightened? To what extent? Have peasants received cash for their grain sales? Is any such money withheld in the process? Is it still difficult for village and town enterprises to start projects? Who is in the way? And so on and so forth. Policies should be checked and implemented one by one. In short, since policies have not yet been implemented, leaders at all levels have to work harder.

**President Li Teng-hui Holds News Conference**

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[News conference by President Li Teng-hui with local and international correspondents, held on the occasion of the third anniversary of his inauguration, at the Presidential Office in Taipei; moderated by (Tai Jui-ming)—live]

[Text] [President Li Teng-hui] Ladies and gentlemen, how do you do? Today is the third anniversary of my inauguration as the eighth president. A news conference is held especially for this occasion on the orientation of major national policy and my personal views. I wish to take this opportunity to say a few words before answering your questions. When deciding on a major policy, I will surely take into consideration an important factor, namely, our distinctive political culture and social ecology. To use a comparatively common expression, I will surely take into consideration the factor of local conditions and customs. All compatriots who emigrated to Taiwan in whichever period acquired a pioneering spirit because they had to face a shortage of resources and had to fight against the environment. They strongly affirmed their own achievements. In the face of a society in which all members considerably affirm their own achievements, what should we do? I think what should be done is to foster a sense of community life which takes the interests of the whole into consideration, and condense the community's common understanding through the method of communicating and coordinating with everyone. First, [words indistinct], while handling important national affairs, I attach the greatest importance to respecting the free will of all the people through, first of all, discussions, communication, and coordination, so as to implement their will. Therefore, we held a national affairs meeting. The views expressed by delegates from all quarters at home and abroad in the meeting established a common understanding of political reform. The same principle was followed in handling the 2.28 [28 February] incident.

In the future, if there is to be a major breakthrough in the mainland policy, we will certainly have discussions and exchange views with all quarters, in advance, to reach a consensus before putting it into effect. For the sake of the nation's long-term stability, we must truly practice party politics. A political party must take the responsibility for its voters and win their support when party politics are practiced. I think, at present, the most important thing for the development of party politics is that a political party which has been in power for a long time must keep abreast of the pulse of the society, adapt itself to integrate the will of the people with the will of the party, be able to demonstrate an energetic vitality, and stand side by side with the people. Therefore, political parties with a relatively short history should also continuously strive to grow by their own efforts, acquire experience, and establish a reputation for trustworthiness. Meanwhile,

both ruling and opposition parties should engage in fair and rational competition by upholding the principle of giving priority to national interests and the well-being of the people.

Ladies and gentlemen: We should not let our reason be fooled by romantic slogans; neither should we let our judgment be misled by intensely emotional criticism. In the face of our nation's future development, what we need are a pragmatic policy and a feasible strategy. We must always keep community life in mind, and patiently conduct communication and coordination with everyone to achieve a common understanding. Under no circumstances should we let our determination to implement democracy be affected by temporary anomalies. I have always looked forward to our future development with optimism.

Lastly, I wish to take advantage of this opportunity to solemnly express my sincere appreciation to all my fellow countrymen for their support and confidence during the period of my tenure over the past three years. Meanwhile, I wish to thank my government colleagues and functionaries across the country for standing fast at their posts and working hard for implementation of our policies. To them, I extend my regards and encouragement. In addition, I would also like to say thank you to people's deputies in the political sphere, and to the ladies and gentlemen in the academic, industrial and business, and media circles who are concerned about national affairs and have generously given me advice from time to time.

Please ask your questions now.

[Chang Shih-chiang] I am Chang Shih-chiang of Chinese Television Station. Since you assumed the presidency, pragmatic diplomacy and mainland policy have been the main points of your policy; pursuing pragmatic diplomacy on one hand while actively implementing mainland policy. Mr. President, would you please explain the connection between pragmatic diplomacy and mainland policy? Are there any contradictions between the two? While we are trying to actively participate in international affairs, Mr. President, what are your views about the leaders of the two sides of the straits attending international meetings together?

[Li Teng-hui] Mr. Chang's question is wide in scope. As it concerns the key points of mainland policy and our current diplomatic policy, I would, therefore, like to take advantage of this opportunity to give you a detailed explanation.

To understand why we are pursuing pragmatic diplomacy and mainland policy simultaneously, we must first understand the mainland's policy toward Taiwan. In short, the way we must handle this issue is to be self-dependent and [word indistinct]. Since the government pulled out of Nanjing and moved to Taiwan in 1949, the Republic of China [ROC] has experienced all sorts of difficulties. It took the Chinese Communists 22 years to squeeze the ROC out of the international community; they got the representation and entered the

United Nations in 1972. The ROC was, it can be said, isolated and in a difficult position. We must understand this history and the mainland policy toward us first, and then understand the current international changes and cross-strait relations. From these we can tell that they want to curb our participation in international activities and deny the existence of the ROC. There have been gradual changes in recent years and now there is one country, two systems. In addition to trying to banish the ROC from the international community, they have come up with one country, two systems, inviting us to enter into the trap of one country, two systems. At the same time, under the slogan of opposing Taiwan independence, they have not abandoned the policy of liberating Taiwan by force. We know that their goal is to devour Taiwan with as little expense as possible. Put briefly, this is their main goal and policy. After all that, they asked us to sit down and talk about arranging direct postal, trade, and navigational ties. For a time in the past, we tried to shelve those issues and concentrate on developing Taiwan, building up our defense force, and maintaining the balance across the Taiwan Strait. During that time, we went all-out to develop Taiwan, Penghu, Chinmen, and Matsu. As a matter of fact, however, we were locking ourselves in. After reaching a certain level of development, we find that the status quo cannot be maintained.

As I just said, our resources are limited and we need to continue develop outwardly. In addition to continued economic progress, we need to take part in [words indistinct] international organizations. We probably cannot obtain support from various nations for many of our activities. This is the predicament we find ourselves in lately. How do we get out of this predicament? We should be clear about our goal. As I said, our goal is to develop Taiwan, Penghu, Chinmen, and Matsu and, at the same time, to develop external relations, expand our new diplomatic relations, improve cross-strait relations, and reject the use of force as a means to settle problems. Bringing about peaceful changes [words indistinct] in the mainland in such circumstances is where our hope lies. This is, generally speaking, the way we hope to achieve the goal of national reunification in a peaceful and democratic way, as is outlined in the Program on State Reunification. We know now about the situation on the mainland. We should also know the limits of our capacity and find a way to get of our predicament step by step. The pragmatic diplomacy we started four years ago is to discard the traditional approach and base our diplomatic policy on the reality of the international situation. This is pragmatic diplomacy.

We should be particularly clear about the events of recent years. First of all, recent changes in the international situation, which are very [word indistinct]. With the end of the cold war, there is no longer confrontation among nations. More importantly now, peace and development have replaced confrontation. This has presented a perfect opportunity for the ROC to pursue its pragmatic diplomacy, to achieve peace and development with a peaceful approach. The new international situation has presented a very good opportunity for us.

As everybody knows, with the end of the cold war, the United States is gradually pulling its military presence out of Asia. A new, emerging vacuum is creating major problems in Asia, which include military buildup on the mainland—especially the promulgation of the new maritime law and the expansion of its naval force; the latest developments on the Korean peninsula, including the establishment of diplomatic relations between the Republic of Korea and China [Zhong Guo], and the DPRK decision to leave the Nuclear Nonproliferation Treaty; instability in the South China Sea; and the adoption of the Peacekeeping Operations Law in Japan. These are examples of potential problems when there is a power vacuum following the U.S. pullout from Asia. Such things could have a huge impact on Asia's security. [words indistinct] U.S. policy is evolving from bilateral relations into multilateral relations. In the circumstances, we should, in keeping with such changes, develop the idea of building a collective security system in Asia.

The last point is that great changes have taken place on the mainland. The opening up to the outside world and implementation of economic reform on the mainland have a very great impact on the international community. The change of international situation is also very conducive to our pragmatic diplomacy. In such circumstances, the question of the name we go under is not important as long as we make contact without problems. However, the two sides of the strait must clearly understand the fact that the country is split and that contacts between the two sides can only gradually be developed. The issue of status between the two sides of the strait has become a fundamental legal question. Therefore, the government has set up the Committee for the Reunification of the Country, and later put forward a program for the reunification of the country. In 1987, we (?studied) a plan to permit orderly contacts between people of the two sides. Last year the Legislative Yuan adopted the Regulations Governing Relations Between People on the Two Sides of the Straits. It has systematized the ambiguous relations between the two sides of the strait. Another important thing is that after the reelection of the Legislative Yuan, two-party politics has replaced the previous one-party leadership of our party. The change is very great. The question of ideological difference has been gradually eliminated and replaced by practical interests which have become the most important goal for all in the Legislative Yuan.

Furthermore, the people have called on the government to take part in various international economic activities as a result of our economic development. They have demanded that the government find ways and means to enter the United Nations soon. However, in view of the international and domestic situations, the ROC must, at present, consider both pragmatic diplomacy and mainland policy to find an appropriate strategy suitable for the country's long-range goal. Let me briefly explain to you that pragmatic diplomacy and mainland policy condition each other and are mutually related. It is a



very complicated matter. In such circumstances, we must find an appropriate policy and method. As to those things which have developed too fast or too slow and which may need revision, I think they are technical problems. I will not explain them in detail today. However, the government should study those issues, including the establishment of different organizations and ways of doing things which must be done, such as the one on the point I just mentioned about building a collective security system. [words indistinct]

Pragmatic diplomacy and mainland policy constitute a relatively complete strategy. In English [words indistinct], [resumes speaking Mandarin] we call it a strategic matter. I think the Republic of China should be able to do so. Knowing the other side and knowing ourselves, we can fight a hundred battles with no danger of defeat. This is what I hope. Thank you all.

[Moderator (Tai Jui-ming)] Mr. Li from the Central News Agency.

[Li Ke-chiang] Mr. President, I am Li Ke-chiang, a reporter from the Central News Agency. I want to raise a question regarding pragmatic diplomacy. Since you assumed the presidency, you have been stressing the theory of pragmatic diplomacy and have worked out specific measures, among which you have included rejoining the United Nations or participating in the United Nations as the primary target in our current diplomatic work; however, Communist China is still trying to isolate and suppress us on the international scene. It is apparent that realizing this target will be very difficult.

I would like to ask the president two questions. First, do we have enough political and economic resources at present to realize this target within a short time? Second, what do we have to do to overcome the veto right that Communist China has in the UN Security Council? Thank you.

[Li Teng-hui] Thank you. Recently the Foreign Ministry [words indistinct] on the ROC joining the United Nations. [words indistinct] I would like to tell you an important matter. Do you know the kinds of problems that exist between the United Nations and us? Communist China entered the United Nations with the right of representation. The conditions on using the representative's name should have been contingent on China's unification; however, the fact is that China is still divided. Simply put, the problem of China's representative right to join the United Nations has still not been solved. The nation is still divided.

Having Communist China as China's sole representative is problematic because the ROC was one of the 51 original UN members. From this, we can understand the crux of the problem. Many potential plans exist to solve this problem in the future. We need to establish relations with many countries; one by one, we need to promote relationships with and join peripheral UN organizations. This will be good for the ROC's international status;

however, a lot of difficulties exist, and we are unable to proceed with many plans. For instance, we are not a member of the United Nations and we were unable to sign the Montreal Agreement on Environmental Protection. We have also been hamstrung in international trade. As a matter of fact, we have assisted many countries. We have provided assistance to African countries and helped other areas suffering from hunger and natural disasters. In the area of personnel [words indistinct]. We are not a member of the child welfare organization [words indistinct]. Under such circumstances, the ROC has done fruitless tasks that have not brought us any benefits—on the contrary, we have suffered a lot.

From these actions, we know that we have been adversely affected, since we are not a member of the United Nations and we are unable to participate in many of its peripheral organizations. Recently, several U.S. experts and scholars discussed the difficulties the ROC is having in joining the United Nations and suggested that we begin with peripheral UN organizations. I only want to say one thing: Entertaining hope is much more important than reality. If we do not have hope, how can we break through to reality? [words indistinct] There are ways, but I do not have enough time today to make a clear and detailed explanation. As a matter of fact, there have been abundant cases in the past over the fight for representative rights, but the problem is how much more time will be needed? Communist China spent a total of 22 years to get in. How many years will we need? It does not matter if it takes a little bit of time, but I do not think it will take 22 years. At least with the present world trend, [words indistinct]. Judging from our recent association with many progressive countries and from other circumstances, we understand that circumstances have changed a lot and conditions have also improved. [words indistinct] We should not be overly concerned about the amount of time we will need. In the past, Communist China waited 22 years to enter the United Nations, but after it joined, it still did not have a clear understanding of representative rights. Various problems related to representative rights have still not been solved. This is my answer to your problem. Thank you.

[Chang Hui-yu] I am Chang Hui-yu from CHUNG KUO SHIH PAO. I would like to ask Mr. President this question: As your term of office has entered its final three years and, as we know, you have a rather strong sense of mission toward national development and are also president of the ruling party, I wish to know whether you have any plans to train a particular successor? What are your views?

[Li Teng-hui] Thank you. I have never thought about who will succeed me in this post. As we now have a democratic society, the best way is to naturally [words indistinct] who will be the successor in the future. I think this is the only acceptable way for the people. I can say: Let us all support this person. But the effect of such a call might only last a day.

I have a different view on the economy and politics of our nation: From ancient times until now, as all of you might know, we have retained an old mentality in favor of the patriarchal system. That is to say, [words indistinct] a father-like figure exercising command over all other people as if they were his children. Why do we say they are treated like children? Because the top person needs no advice on tackling problems; all he needs to do is ask you to do something this way or that way. I do not think this is the proper way to do things.

If I were to retire one day, I (?would not want) to remain in Taipei. I would do something involving the peasants; I mean [words indistinct] or service, and Christian work in the countryside or in my home village, and I would not bother with politics. The new person will have his own views and his own ability. Every new era has its own leaders. Therefore, the problem of a successor does not exist. I think the issue is not of any great significance. What is important is that we break free from the old mentality in politics.

I look at the question raised by Miss Chang in this way: Many problems will be left behind in the future—three years from now. For instance, a statue is carved with a rough craftsmanship and needs the fine finishing touches. Take constitutional reform, for example. The rough framework is basically in place, but many details have yet to be settled. How are we going to do it, one by one? I may give further explanations afterwards. Constitutional reform has proceeded to the current stage; what should we do next? I will give detailed explanations. We should do more (?real) work to settle the matters one by one. This will be normal political development in future. We should do more real work. I am sorry that I did not give a satisfactory answer to your question. I think it would be better for me to put it this way here. Thank you.

[(Tai Jui-ming)] Mr. Fan from CHUNG YANG JIH PAO.

[Fan] How are you, Mr. President? I am CHUNG YANG JIH PAO reporter Fan Xianglin. I wish to ask Mr. President about party politics. Party politics has been one of the major political tasks carried out by Mr. President since you took office. We saw that an environment for our party politics has taken shape under Mr. President's guidance over the past three years. This could be seen from the Democratic Progress Party's [DPP] showing in which they won quite a large number of parliamentary seats in the election and a glimpse at the opportunity to come into power. Nevertheless, the shaping of party politics hinges on two main factors: One is whether the ruling Chinese Kuomintang could thoroughly democratize itself and unite as one internally; the other is whether the DPP could identify itself with the existing state system. At present, however, the DPP is going its own way regarding national identity, the constitutional system, and the politics surrounding the reunification-independence choice, while much of the Chinese Kuomintang's internal reform has yet to be

carried out. Such being the case, how will Mr. President push forward and help stabilize party politics in the next three years?

[Li Teng-hui] Thank you. We should understand what party politics means. We must explore the issue of democracy among and within political parties to illustrate that we (?still have a long way to go). People are stressing party politics; as a matter of fact, party politics reflects diverse interests and values in society on the one hand. Whether you are a worker, a professor, or a rich person, each of you has an opportunity to express your opinions and thinking in this pluralistic society. [words indistinct], this is where the line is drawn regarding a democratic society that gives full expression to the people's free will.

However, what is most important to party politics is the uniformity of actions both inside and outside the party. This means that if we were to properly carry out party politics, we should be able to give full rein to the role of seeking common ground amid differences. You will know if you go to the parliament and have a look. A conclusion is only reached after much discussion and communication by parliamentarians with different views. Seeking common ground amid differences is better than seeking instructions from higher levels on solving problems. Therefore, party politics, as I said, means giving the widest possible expression to one's free will. This is really the attainable political realm I have called for.

But has this situation been attained? Let us take a look at the developments over the past two or three years, which include 1992, a year that saw the full reelection of the Legislative Yuan and the partial reelection of the National Assembly, and try looking at other countries. We should understand that party politics has had a developmental history of 300-400 years in the United Kingdom, at least 200 years in the United States, and more than a century in Japan; but, as of today, there are still many shortcomings in their systems. So we should know that to develop a very good model of party politics, we have to consider a variety of issues, including our election methods, the law on elections and recalls, the demarcation of electoral districts, and the use of political funds. In addition, there are questions regarding the proper rules of procedure for Taiwan's parliament and the internal organization of various political parties, i.e., the issue of internal instructions of political parties that was raised just now.

The most important thing is that participants in politics should have the breadth of mind to tolerate different political views and then turn them into a common idea. This is a very important area where participants in politics should cultivate themselves. At the same time, political parties need to establish the rules of the game among themselves and to contemplate ways to interact with each other. They should not act as they wish and fight every time they meet without any regard for national interests or the people's well-being. This kind of

party will not work. Therefore, we need to establish the rules of the game to promote interparty interactive relationships and the like. We need to try to accomplish all these things step by step over a considerable period of time. It is still unclear as to how good our will future be. This also requires experience and gradual measures.

We talk about the need to democratize the internal organization of political parties, which I brought up just now. In some parties that have provisions for democratization, fierce reproaching takes place along with democratization. Although there are social democratization and party provisions for democratization, the real result remains to be seen. The most important issue, which I also brought up just now, and the most important factor for developing party politics is that a political party should keep abreast of society's pulse; for instance, they need to make self-adjustments to integrate the party will with the popular will. If they fail to integrate the party will with the popular will, people outside the party will ask: Are all these people useless?

The Chinese Kuomintang has its own belief: the Three People's Principles. There is no doubt about that. We also want to return to the mainland to popularize the belief in the Three People's Principles in one way or another. The question, however, is what is the situation regarding the survival of the Chinese Kuomintang in Taiwan? The present situation in Taiwan is that you need the public's votes for support; you need everything. Therefore, it is a necessity to integrate the party will with the popular will. If these two are not integrated, it will be impossible to promote further development. Therefore, I think the most important issue, which I mentioned just now, is whether the Kuomintang's future democratization will move in the direction of linking the party will to the popular will. Can we attain our goal just by making noise out there? No, definitely not. A party enjoying support from the general public in Taiwan will face no problems. So it must take the right direction and make concerted efforts. Thank you.

[Tai Jui-ming] Taiwan Television's Wang Chih-ying.

[Wang Chih-ying] Mr. President, I am Taiwan Television correspondent Wang Chih-ying. I wish to ask you about issues concerning mainland policies. Over the past three years, our relations with the mainland have undergone rather significant changes under Mr. President's pragmatic policies and practical tactics. Mr. President, what further developments do you expect in our relations with Mainland China over the next three years? Chinese Communist leader Teng Hsiao-ping [Deng Xiaoping] once said that he hopes to see China reunified in his lifetime. Mr. President, do you also share such eagerness in seeing China reunified? Thank you.

[Li Teng-hui] Thank you. Great changes will probably take place on the mainland in the next three years, and even I fail to grasp the extent of economic opening occurring there right now. But I must say that reality and hope are two different matters.

Mr. Teng, you harbor high hopes of seeing reunification soon, during your lifetime; however, bear in mind that the actual situation is not that clear-cut. People on the mainland, and here in the ROC, want to see a mainland society that is democratic, free, and progressive. However, they will not see such a society. The people have to surrender all their power to it. The things it fears most are peaceful evolution, liberalization, and political reform.

One or two years from now, mainland localities will have gained more power, and rural industries will have become developed as a result of the economic reform and development being conducted under present policies. If you take a trip to the mainland then, you will understand the problem: no methods, systems, or flexible organizations employed to boost economic development. I am very pessimistic, though I must admit I am not so sure what will happen. The mainland has found no solutions for its inherited problems, but if the mainland asks us, we will be willing to teach it about accounting and taxation systems, bank loans and savings, and control over foreign exchange. Most people will slowly understand the actual situation if they make a trip to the mainland. Other than the momentary slips made by mainland leaders, the not-so-clear-cut objective conditions will dictate what will happen three years from now. I myself have faced many difficulties in constitutional reform and in solving some minor problems. The mainland is such a big place. There are moments when the interests of each of the millions upon millions of Communist Party members are at stake. It will be rather difficult to expect these people to adjust for the better right away. I would say that we do not harbor hopes for this. The issue concerns the whole [words indistinct]. Thank you.

[TZU YOU SHI PAO reporter] I think many people have noticed that, in your recent speeches, you have on many occasions used the term historical beginning to describe the country's development in the few years following the constitution's revision. I do not know why you made this observation. During the remaining three years of your term, what do you think should serve as indicators to show that the new historical period is indeed vastly different from the past? Thank you.

[Li Teng-hui] Thank you. When we look at problems emerging during the evolution of our country and society, we should judge whether these problems are very important historical issues or are just simple social phenomena that occurred suddenly and accidentally. While the issues I referred to a while ago can help us understand China's long history, we must also understand world historical changes. When the most active world events are summed up, they can become something static and useful for our reference. While we would not do something ourselves, we cannot stop other people from doing it.



The historian [name indistinct] said something in 1883 that historians, statesmen, and philosophers still consider a modern and sensible judgement, although I am opposed to his view. He said: China's patriarchal society in which freedom was enjoyed by only one person was gradually changed into [words indistinct] society with an awareness of freedom, and then into a society that centered around the state as well as people's awareness of freedom. That was an historical destination. This is what he said. When this theory later evolved into a Marxist theory, Marx said that history would be at its last stage when mankind achieves communism. There will be no new history.

Because I am opposed to this view, I said that, in Chinese history, China could not become a modern country because of two major problems. One is the patriarchal and imperial thinking. The other is the problem of warlords. Because of these problems, the target set by our national founder, Sun Yat-sen, to establish a republic under the principle that the world is for everybody could not be attained. Throughout Chinese history, these two problems have had the most harmful effects. Only when these harmful effects have been removed can China become a genuine modern and democratic country in which all people can think freely; however, if this democratic society only acknowledges the (?will) of one person and not the (?will) of the country and society, we must work hard to build a society with national (?will).

Under such circumstances, what should we do? We should build what I said a while ago: a community of lives. This is an important course we should follow when we have achieved a common understanding. I think there is still time for all of us to work hard toward this goal. That is why I called for a new beginning in Chinese history. As to what we will do in the future, I do not think I need to list the tasks one by one. We should know what we should do. If people in the future want to compare the present and past situations....[pauses] Nobody said that the presidential term can go on forever—the length of the presidential term should be fixed. Not only should it be fixed, but also it could be shortened from six years to four years. People who do not understand have said that the president could easily become a dictator. The best way to solve this problem is to fix the length of the president's term of office. If the term is short, people's greatest worries can be resolved.

This issue reminds me of how we should establish a very good society. It is not simply a question of the Legislative Yuan, the Control Yuan, or the National Assembly having the power to impeach or dismiss the president or the vice president. In addition to this power, there are many other things to do. The Legislative Yuan's power to examine the budget can also be labeled as a (?restraining) measure for the president. If the premier nominated by the president has not had the Legislative Yuan's approval of his budget, he would have big problems [words indistinct]. I think this issue itself....[pauses]. I think that, when our new society makes progress in the future, we have to produce many [words indistinct] to

compare [words indistinct], but maybe we should let experts study this issue. Thank you.

[Huang Yu-cheng] I am Huang Yu-cheng, a reporter from LIEN HO PAO [UNITED DAILY NEWS]. Three years ago, you mentioned that you would lead compatriots back to the mainland. Do you expect that you will be able to visit the mainland within the next three years? If there is such a chance, what will your status be when visiting Mainland China? Another thing, U.S. President Clinton has recently proposed elevating the Asia-Pacific Economic Cooperation conference to the level of a summit meeting. Do you expect to and would you be glad to meet the top leader of Chinese Communists under such natural circumstances as an APEC meeting? Thanks.

[Li Teng-hui] I said at the National Assembly during the election of president and vice president that, during my tenure of six years, I would lead you all back to the mainland. Those were my words of encouragement. Nevertheless, I was not clear myself whether there would be such a chance. What I mean is that national reunification is the aim of our endeavors. Recently, there have been comments in passing suggesting that I should visit the mainland. This morning, for example, a Japanese magazine says Mr. Li Teng-hui will accept an offer to be the mainland's vice state president. [Li laughs] There have been many such words. This is just like one country and two systems. It looks good in print. [words indistinct] It may sound strange, I am a strange person, but I don't have any taste for that. Why? To other people, such a high position might be a wonderful thing. It would not please me and I do not care to speculate on the matter. Why? Would it help the country? Would it benefit the people if I accepted such a position? No. If there is no benefit, I will not do such thing.

You mentioned a meeting within APEC. If we meet there, I would only say: Hello. There would be nothing else to say. Why? APEC is not the place to discuss political and other subjects. If necessary, we can hold talks like the Ku-Wang meeting in Singapore or Tokyo. We can hold such talks to solve problems. [words indistinct] There are many questions on national reunification, such as how to reunify the country, and the name of the country after reunification. At that time, I think I can only use (?delaying tactics) [to to la la]. [words indistinct] This question must be discussed and decided by everyone in the country in order to set a correct course. If everyone wants me to go abroad and thinks I should take part in talks, I can talk. However, in my opinion, things will not be that simple and it will not happen soon. This question, therefore, should be studied further. As to the high level APEC meeting proposed by Mr. Clinton, I think there will be no problem. We will not (?discuss) things between the two countries [as heard] and between the two sides of the Strait. There will no be such thing. Thank you, Mr. Huang.

[(Tai Jui-ming)] Time is up.

[Li Teng-hui] That is all right.

[(Tai Jui-ming)] Let us give foreign reporters a chance to ask questions, shall we? Let the reporter from the ASIAN WALL STREET JOURNAL ask his question.

[Li Teng-hui] Yes.

[Unidentified ASIAN WALL STREET JOURNAL reporter, speaking Mandarin] How are you, President Li? I am from the ASIAN WALL STREET JOURNAL. As chairman of the Kuomintang [KMT], can I ask how much money KMT-operated firms have invested in businesses at home and abroad? And do you think that it is proper for KMT-operated businesses to become so big in a democratic country?

[Li Teng-hui] Thank you for asking. What are known as KMT-operated businesses today are, in fact, not operated entirely by the KMT alone, but by the KMT and nongovernmental businesses together. This is a fact in most cases. Take the (television) company or gas company, for example. The amount of money the KMT has contributed to establish these companies has rarely exceeded 50 percent. In some cases the amount of money the KMT has contributed is very small. To outsiders, it might seem that the KMT has all kinds of businesses. However, the KMT does not really own a lot of property. This is a fact. If a law governing political parties is to be promulgated in the future, and if this law has provisions stating that a political party cannot operate businesses, I will dispose of KMT assets in a proper manner. I will not let these businesses compete with the people. In the past, many of the KMT-operated enterprises did not compete with the public. The KMT set up a company to help the people when they did not have the resources to do so themselves. As I have said, the KMT urged the people to invest. I have been thinking that it might be proper for the KMT to gradually transfer the stocks and shares it owns to the people and let them operate all the businesses in the future. Specifically toward this objective, the previous KMT Financial Commission separated itself from the Administrative Committee for Party-Operated Businesses, which is a unit in charge of money. I am not very clear about many things after the separation. Many things have still to be sorted out. Once they are in order, all questions will be handled according to regulations. To put it simply, the KMT is not as rich as many people think [Li laughs].

As to your second question, it is one concerning the need to help a certain business develop. If a certain business has to be developed and the development involves great risks, the party must step forward to help it stand on its own feet. I think now that, once this business is on the right course, we should gradually let the public operate it. This may be a better way. In the future, if the law governing political parties has provisions on a party's financial resources, things will be handled according to such regulations. That is why I said a while ago that

political parties must be able to compete fairly. This term governing appropriate distribution [of resources] is very essential. Thank you.

[Tu Hung-en] I am Tu Hung-en, a reporter with China Television Company. Mr. President, you said that the issue of reunification is not one involving disputes between parties or ideologies, but one about different systems. But it is an undeniable fact that people at home still differ considerably about whether Taiwan should be reunified with the mainland or become an independent country. A recent poll shows that the percentage of people who support Taiwan independence has increased slightly. What significance do you think that figure has? Another issue generated by the poll is, how does a community of 20 million people face the [word indistinct] of the state? Thank you.

[Li Teng-hui] I think you all know that the issue of national reunification is a long-range issue for which there is no timetable. The final objective for national reunification in the future has been stated in the Outlines for National Reunification. Namely, it will be the establishment of a democratic, free, and progressive China. Under this circumstance, nobody knows [words indistinct]. Currently, members of the opposition party, the DPP, have different views on this issue. However, the issue I must emphasize here is what I said not long ago: Before he died and when I was vice president in 1987, Mr. [Chiang] Ching-kuo said the people should be allowed to visit their families on the mainland. He said ways should be explored so that people can visit their families on the mainland. The problem in those days was how to give the people an opportunity to go out. When [words indistinct] the number of people applying to visit the mainland was growing increasingly and no regulations could be followed. There was neither organization nor were there rules. The situation became increasingly chaotic. After (I became president), I thought that the problem must be dealt with as quickly as possible, and so the National Reunification Committee was formed and the Outlines for National Reunification were drawn up. When the committee was formed, units under it were randomly established. All national units having to do with the mainland and all people familiar with mainland affairs were asked to join. Scholars at home and abroad were invited to work as researchers. We also asked the DPP to fill in three slots, but only Mr. (Pan Chih-hui) joined. Several nonparty personnel also joined. In those days people were (not very clear about) the operations of the National Reunification Committee and the nature of the Outlines for National Reunification. The nature of the outlines is very sensible, peaceful and [word indistinct]. It has been fully expressed in the outlines. [words indistinct] the problem of how to carry out the projects of the committee was a big one. There are now many different views on this issue.

You mentioned the latest poll that showed that the percentage of people who support Taiwan independence has increased slightly. I think that the issue of Taiwan independence is an issue concerning the name of the

country. In terms of its political action, however, I think the Taiwan independence movement cannot be allowed to become one of separating Taiwan from the country's territory. I think you all understand this. This problem has a great influence on the exchange of people of the two sides. Under this circumstance, the people (I have tolerated) the Taiwan independence movement. In my view, this problem has close relations with tension between (the two parties) as well as with slogans of advocates of the Taiwan independence movement. The issue is what the government should do. The most important requirement is that we should not reject different views, and that we need more communication, and we must let all people have the opportunity to express their views. Therefore, I hope all political parties will contribute their views as to how the National Reunification Committee should operate, and also the National Security Council after it has been reorganized in the future. I also hope that the Mainland Affairs Committee, the Foundation for Exchange Across the Taiwan Strait, and other units having to do with mainland affairs will invite everybody to participate in their operations. We all should sit down and talk. There is nothing so secret that cannot be discussed. In this way I think all political parties will gradually understand the [reunification] policy as a whole. I also think that the people must also understand the policy. That is to say, the people are still not very clear about what the government has been doing in this regard because the approaches adopted by our newspapers are not the same. If each of our newspapers reports differently, there will be many different views and, since the people do not read all newspapers, the situation can become quite chaotic. That is why I want to take advantage of this question to underscore the importance of pragmatic diplomacy and an effective mainland policy. When people understand our policy, they will have peace of mind. [sentence indistinct] I think the most important thing we must do is to act sensibly so that we can have more bargaining chips. I think the top priority project today is the development of the Republic of China on Taiwan, the well-being of the 20 million people, and the safety of their lives and property. I think we [words indistinct] will have more communications in this regard. Thank you.

[Tai Jui-ming] How about Mr. Nakamura, reporter from YOMIURI SHIMBUN? He is not here? Since he is not here, we will let other reporters ask questions.

[Yang Chin-huei] Thank you, Mr. Spokesman, Mr. President. I am Yang Chin-huei, a reporter from the China Broadcasting Corporation News Network. You once said earnestly that you would try to solve the problems of the Republic of China one by one during your six-year-term as the eighth president of the Republic of China. Could you tell me the problems you have solved so far, and could you also tell me the policies in which you can take pride? In addition, what are the things that you most want to accomplish in the next three years? Thank you, Mr. President.

[Li Teng-hui] Thank you. We really have our hands full of things to do. Of course it is impossible for me to do all these things alone. Credit must be given to all involved with the many accomplishments of the last three years. We started to tackle the problem of constitutional reform last year, but technical problems still remain which I expect to be completely solved next year. Last year we dealt with many problems related to constitutional reform, of which I think three were of the utmost importance. The first was the reform of the structure of the central government, including reform of the term of the president and the term of the Control Yuan. The second problem was related to local government, including the election of the Taipei mayor, Taiwan provincial governor, and Kaohsiung mayor. The third most important problem was related to the welfare for the social underclass, including welfare for women, for aboriginals, for returned Overseas Chinese, for the disabled, and for farmers. As the laws and regulations governing administrations of the State Security Committee, the Security Bureau, and the Personnel Administration Bureau which are slated to be passed by 31 December 1993 have still not been adopted, all are therefore urged to step up work to formulate these laws and regulations. The completed constitutional framework needs to be supported by relevant laws and regulations; without relevant laws and regulations it will be impossible to implement the Constitution. Regarding the welfare policy for the people, laws and regulations related to the pension funds for the farmers, for the disabled, and for children have still not been enacted. Without the enactment of these laws and regulations, we will not be able to implement policy. Therefore, I think we need to step up our efforts in dealing with the three problems of which I have spoken. One of the remaining problems, the issue of the election of the president, will probably have to be dealt with next year. It was decided last year that the president and vice president of the Republic of China shall be elected by the people living in the free region. However, it is still not decided if the president and the vice president will be elected through a direct appointment system or through direct election by the people. It has now become apparent that fewer and fewer people are calling for a direct appointment system. I hope all will understand the prevailing trend. Next year, we will need to come to grips with such problems as determining the term for the Legislative Yuan, the future status of the National Assembly, and the power of the premier. Other problems also need to be discussed. Pragmatic diplomacy is one of the problems. It would be nice if we could rejoin the United Nations in three years. What will be the best ways to achieve that goal? I think the Ministry of Foreign Affairs has its own strategy. Our past efforts have begun to pay off. Last year, many countries approached us and offered their assistance in our bid to rejoin the United Nations. Many European countries, Central and South American countries, and progressive countries from other regions seek better ties with us; they understand our difficulties and are willing to assist us in our bid to rejoin the United Nations.



We need to exercise extreme care with regard to mainland issues. We will advance step by step and will handle mainland issues step by step. I think it is very important to achieve mutual trust of all in order to maintain the peaceful situation in the Taiwan Strait, and for closer exchanges between the two sides of the strait. I think it will signify great progress if mutual trust leads to the two governments' recognition of the two political entities. If there is no such recognition, I think it will be extremely difficult to carry out three exchanges [exchange of mail, trade, and air and shipping services]. The Republic of China on Taiwan, as a sovereign state, has its own experiences, its history of struggle, and its mission. Therefore, I think this problem should be handled with care, and step by step, and we should never be influenced by slogans. Thank you.

[(Tai Jui-ming)] Due to time restrictions, we will reserve the last question for Mr. (Hong) from Hong Kong's SING TAO JIH PAO. My apologies to friends from the media.

[(Hong Chien-long)] I am (Hong Chien-long) from Hong Kong's SING TAO JIH PAO. I would like to ask Mr. President about the Tibetan issue. Mr. President, you once said that the government's administration does not extend to Mongolia. However, the government does not have a very clear-cut stance toward Tibet. The Dalai Lama may visit Taiwan at the end of this year. Mr. President, what stance does the government take in its strategies toward Tibet? Thank you, Mr. President.

[Li Teng-hui] Thank you. The Tibetan issue is clearly written in our Constitution. We guarantee Tibetan autonomy, and this is very important.

The Dalai Lama made a demand on an absolutely [words indistinct] organizational problem in a five-point peace plan forwarded by him at a recent conference in Europe. The issue is a practical one. The Dalai Lama was also demanding cultural and religious freedom. In all aspects, the peace plan has not changed the existing relations between the Republic of China and Tibet very much.

This is our stance: We support Tibet in all its endeavors and encourage it to continue them. We believe that Tibet should have more autonomy, for example, to protect its culture. It should be said that our Constitution agrees with and supports Tibetans in their endeavors.

We welcome the Dalai Lama to visit us. At the same time, we also hope to see Tibet gain true freedom.

Since we demand that all Chinese enjoy freedom of thought in a democratic society, Tibetans should enjoy such rights also. We should support Tibet in various aspects, including human rights. Thank you.

[(Hong Chien-long)] Thank you, Mr. President.

[(Tai Jui-ming)] There are several more. This is Miss Chen Ying-lan of TZU LI WAN PAO.

[Chen Ying-lan] Thank you, Mr. President, for giving me this opportunity. I would like to ask you a question. As you have just mentioned in your address, you made great efforts to dilute the 28 February incident which is also a question of solving the so-called problem of sentiments and split in the province. In the past six months, we have seen cases in which retired servicemen went to the street to express their complaints, and Overseas Chinese showed intense emotion when some political figures visited foreign countries. In the face of such activities, the sense of crisis, the situation of split within the Kuomintang, and the trend of aggravation of this situation, I wonder whether you, Mr. President, are worried about the situation and know the causes. Thank you.

[Li Teng-hui] With regard to this question, I have been in constant contact with Overseas Chinese and retired servicemen. I have shown great concern for the living conditions and other problems of retired servicemen. I think President Lien of the Executive Yuan will ask the Vocational Assistance Commission for Retired Servicemen to take further action to help those retired servicemen. Some retired servicemen who need assistance have been very patriotic and love the party. However, I am not very clear why some of them went to the street to oppose Li Teng-hui. They are only a small number of people. They are all quite robust and are young people aged between 30 and 40 years. When some people went there to ask them why they came out, they said that they were paid money by other people to take part in such activities. We should not pay too much attention to this problem. It is not good to pay attention to them.

As to the question of Overseas Chinese, I have talked with them and asked them to understand the position of the Republic of China on Taiwan. There are some people who dislike the Republic of China on Taiwan. In fact, Taiwan is the base of survival for the Republic of China. The Republic of China does not enforce ruling power on the mainland. They ruled. [as heard] There may be some differences in understanding. In the past, they supported the government and said we should counterattack the mainland and we should oppose communism. I have said that this is correct. We should oppose communism, and I also want to oppose communism. We are not stopping our opposition to communism because of the changing situation. We should continue to oppose communism even when the situation has changed. We should oppose communism in our hearts, not using words to oppose communism. Only with this attitude can people truly support the government. The government must do a lot of things under different conditions. We should all support the government. If the government does things different from their own ways, they quickly start to blame the government. I think this is an unnecessary thing. Therefore, I think this is a very simple thing. We don't have to spend too much time in dealing with this matter, but some concerned departments need to establish links and promote mutual understanding. Such links are necessary. Thank you, Miss Chen.

[Unidentified male reporter] President Li, please give this reporter from CHUNG KUO SHIH PAO the opportunity to ask the last question. Today's news conference obviously resembles one held by the ruling party's chairman. My question is: Where is the party chairman? [laughter] Judging by your answers, you have addressed many issues relating to the party chairman. Many people have noticed your substantial growth of gray hair over the past couple of years. It may seem adulatory, but you have worked tirelessly in managing state affairs. Your achievements in governance, especially in promoting political reform, have earned positive comments; they are obvious to everybody. The Kuomintang under your leadership, however, has appeared less united in recent years than in the past. Is the party chairmanship more stressful than the presidency? What do you think? What are your plans and goals for the next three years? Thank you.

[Li Teng-hui] In reality, I do not spend much time on party affairs. This is because the party's organizational structure is such that it can handle all its problems by itself. Nevertheless, if at all possible, it is more desirable that the president not serve concurrently as the party chairman. I believe that many people share this view. There are no constitutional provisions regarding this issue; we are discussing it as an ordinary issue. When we discuss many political issues—political change is necessary, to be sure—the most important consideration is stability. We should consider this issue in light of whether stability can be better achieved when the president attends to his duties solely, or when he serves concurrently as the party chairman. If a president who concurrently heads the ruling party can better coordinate the actions of the Executive Yuan, the Legislative Yuan, and other yuans, and can help solve various problems, then the concurrent arrangements might be a better option. It is all the more so if, in the future, the country can simultaneously practice party politics and implement a cabinet system. Of course, it is desirable that the president not serve concurrently as the party chairman. In my opinion, whether it is stressful or not does not matter very much. The party has a vast membership. The 2.6-million party members entertain diverse views and hail from different places. They would certainly develop differing views if their benefits vary. When the old system was in place, they just muddled along. But when party politics have been practiced, problems have surfaced. Some people remain in office, others follow suit, and still others have found new opportunities. These ineluctably have given rise to disparate views. As I have just said, we need to consult and coordinate. I try my best not to speak too much. I would rather leave it to the persons in charge of various departments to coordinate with their subordinates. In the end, I would just say that everything is good. Hence, you should not take this issue too seriously. When party politics is practiced, people invariably would make noises; this is human nature. Please do not play up this issue. Take yesterday's Central Standing Committee meeting, for example. What actually happened is not what meets our eyes. It

was played up too much. Consequently, people were left with the impression that there were grave problems. I hope that people will not look forward to problems when they approach a given matter. Stability is the best thing. If we proceed with this in mind, I do not think there will be many problems. With this, let me end today's news conference. Thank you for your valuable comments. I have discussed at length the most important issues: pragmatic diplomacy and cross-strait relations. When you continue to follow these issues, I hope that you will not fixate upon future cross-strait relations. Today's news conference has afforded us a rare opportunity (?for discussion). Thank you.

[(Tai Jui-ming)] Thank you, Mr. President. This is the end of today's news conference. I hope that the president will have more opportunities to meet the press. Thank you. [applause]

#### Foreign Minister Chien Leaves for U.S. Visit

OW2105084093 Taipei CNA in English 0741 GMT 21 May 93

[Text] Taipei, May 21 (CNA)—Foreign Affairs Minister Chien Fu left for the United States Friday for a five-day visit.

While there, Chien will deliver a speech, entitled "Rapid Democratization and the Conduct of Foreign Affairs: The Republic of China [ROC]'s Experience," in a forum to be sponsored by the prestigious Chicago Council on Foreign Relations.

In his speech, Chien will brief American scholars and opinion leaders on Taiwan's first full parliamentary election last year which manifested the Republic of China's commitment to sweeping constitutional reform.

Chien will reaffirm Taiwan's determination to protect intellectual property rights (IPR) and eliminate commercial piracy. He will urge the U.S. not to impose stricter than internationally accepted IPR requirements on Taiwan.

Chien will also call for U.S. support for Taiwan's bid to re-join the United Nations. He will explain why the ROC Government is actively seeking UN membership at the moment, which he said is a response to the general public opinion of Taiwan people.

Chien is scheduled to return next Wednesday [26 May].

The Chicago Council on Foreign Relations is one of the most influential diplomatic think tanks in midwestern region of the U.S. It regularly sponsors forums and publishes periodicals. Many foreign political leaders have been invited to speak in its forums. U.S. Secretary of State Warren Christopher gave a keynote speech on U.S.-Russian relations in a forum held on March 22.

The Council publishes American public opinion and U.S. foreign policy once every four years.

**Ministry on APEC Summit Proposed by U.S.**

OW2105102793 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT 17  
May 93

[From the "Hookup" program]

[Text] A Foreign Ministry official has said: The Ministry of Foreign Affairs would be glad to see a successful summit of the Asia-Pacific Economic Cooperation Forum [APEC] proposed by U.S. President Clinton. However, the most important principle is that the host country must treat all members, including our side, the mainland, and Hong Kong, equally without discrimination. The following is a report filed by station reporter Liu Yu-mei:

[Begin Liu Yu-mei recording] The APEC will hold its fifth annual meeting in Seattle, the United States, this November. In view of the greatly enhanced role played by the Asia-Pacific region in the economic sphere and trade after the end of the cold war, the U.S. Clinton administration of the host country intends to hold a higher-level summit after this year's ministerial meeting to improve development of the Asia-Pacific region along a course toward a free trade circle. At present, the Clinton administration is soliciting opinions from APEC

members on the summit. However, the political significance of the meeting, which used to be attended every year by foreign ministers or economic ministers of member countries to discuss economic cooperation, will be greatly enhanced once it has been upgraded to be a summit. Coupled with the fact that our country, the mainland, and Hong Kong are APEC members, how the leaders of the three places on both sides of the Taiwan Strait will attend the summit becomes a sensitive topic.

A Foreign Ministry official pointed out: As an official member of the APEC, our country has the right and is glad to attend various meetings sponsored by the APEC. However, the most important principle is that the host country must treat all members attending the meeting equally without discrimination. The official said that the APEC usually reached a consensus on all the items on the agenda of its meetings through exchange of views and consultation instead of putting them to vote. As a host country, the United States should conduct adequate exchange of views with all parties concerned to find a reasonable solution if it intends to hold a summit. [end recording]

The above report is filed by station reporter Liu Yu-mei of the Broadcasting Corporation of China from the Ministry of Foreign Affairs.



## Hong Kong

### Official Gives Forecast of 3d Sino-UK Talks

HK2105092393 Hong Kong WEN WEI PO in Chinese  
21 May 93 p 11

[Report: "While Commenting on Three Franchises, Zhang Junsheng Stresses That Chinese Side Will Fairly, Reasonably, and Promptly Handle Matters Beneficial to Hong Kong's Prosperity and Stability"]

[Text] While attending a public event yesterday afternoon, Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, welcomed the Sino-British agreement on the question of the three franchises straddling 1997 and reiterated that the Chinese Government will fairly, reasonably, and promptly handle whatever things beneficial to Hong Kong's economic prosperity and smooth transition, because the Chinese Government's starting point and standpoint for the Hong Kong policy must be beneficial to Hong Kong's long-term prosperity and stability.

Attending an opening ceremony for the Shanghai Xijiao Garden Sales Exhibition yesterday afternoon, Zhang Junsheng was asked by reporters how he viewed the third round of Sino-British diplomatic talks which begin today. He replied: "Regarding the talks, we have talked about them several times, and now I have nothing new to say. I also said the other day that we hold a careful and optimistic attitude toward the talks."

Zhang Junsheng described the third round of talks as the continuation of the second round and said that whether or not substantial results can be obtained depends on how the talks will proceed.

He told reporters: One thing you can see, through negotiation the Sino-British Joint Liaison Group [JLG] has reached unanimous agreement on the question of the three franchises and on contracts straddling 1997. They are the licensing of pay television, Hong Kong Electric's contract renewal, and the approval of the contract on Western New Territories dumping area. What does this mean? It means that for the Chinese part, we will fairly, reasonably, and promptly handle whatever things beneficial to Hong Kong's economic prosperity and to Hong Kong's smooth transition. Because as far as the Chinese Government is concerned, its starting point and standpoint for Hong Kong policy must be beneficial to Hong Kong's long-term prosperity and stability and smooth transition.

On the same occasion yesterday afternoon, Guo Fengmin, the Chinese chief representative to JLG, was asked when the JLG will resume talks. Guo Fengmin said: "We are now negotiating with the British side on a specific date for the talks and have not fixed it yet. Everyone will know when the two sides have fixed it!"

Asked why Ambassador Guo Fengmin has very seldom appeared on public occasions recently and whether or

not he would see more of reporters later, Guo Fengmin said: "I also hope to see more of you all later."

### Qian Qichen Rejects Renegotiating Agreements

HK2105060593 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0407 GMT 21 May 93

[By reporter Gan Zhebin (3927 0772 2430)]

[Text] Beijing, 21 May (ZHONGGUO TONGXUN SHE)—Qian Qichen, vice premier, received a visiting group of Hong Kong district board members, headed by Huang Zhiqiang, at the State Guest House in Diaoyutai this morning. [Beijing XINHUA Domestic Service in Chinese at 0507 GMT on 21 May transmits a 366-character report on this meeting that begins: "Qian Qichen, vice premier of the State Council and foreign minister, received a visiting group..." (adding title)] Qian Qichen expressed his appreciation of the "position declaration by Hong Kong district board members on the Sino-British talks and the arrangements for the 1994/95 elections" signed by the district board members on their own initiative.

Qian Qichen said: The Chinese Government values an exchange of views at the grassroots level in Hong Kong. Your visit to Beijing shows that you love this country and Hong Kong. Loving China and loving Hong Kong go hand in hand. Hong Kong's future is related to China's stability and development.

Commenting on the third round of Sino-British talks on the 1994/95 elections, which began today, Qian said that the talks should follow the principles set by the Sino-British Joint Declaration, the Basic Law, and the related agreements and understandings that have been reached by the two sides. The agreements and understandings that have already been reached cannot be haggled about again. What matters now is that the agreements and understandings must be honored, and the two sides can discuss specific ways of implementing them. The Chinese side is serious about this matter. [Beijing XINHUA Domestic Service renders this last paragraph as follows: "Commenting on the third round of Sino-British talks on the 1994-95 elections, which began today, Qian said that the talks should follow the principles set by the Sino-British Joint Declaration, the principle of adapting to the Basic Law, and the related agreements and understandings that have been reached by the two sides. The agreements and understandings that have already been reached are not to be negotiated again. What matters now is to implement the agreements and understandings, and the two sides can discuss specific ways of implementing them. The Chinese Government is sincere about this matter."]

### Says China 'Sincere'

OW2105111493 Beijing XINHUA in English 1054  
GMT 21 May 93

[Text] Beijing, May 21 (XINHUA)—Vice-Premier and Foreign Minister Qian Qichen met with a Hong Kong

district board delegation headed by Kowloon city board member, Wong Chi Keung, here today.

Qian expressed his appreciation for a position letter on the Sino-British talks and the arrangement for the 1994/1995 elections initiated by the district board members.

He said that the Chinese Government attached importance to communication with the grassroots units in Hong Kong, and the visit indicated a concern for the best interests of Hong Kong and the motherland.

The prosperity of Hong Kong was inextricably tied in with the stability and development of the mainland.

Discussing the ongoing talks in Beijing on the arrangement for the 1994/1995 elections in Hong Kong—the third round started today—Qian said that the talks should be conducted on the basis of the Sino-British Joint Declaration, the principle of convergence with the basic law and the relevant agreements and understandings reached between the two governments.

The agreements and understandings already reached between the two governments allowed for no re-negotiations, he said. It is now a question of how to implement the agreements and understandings. The ways and means to implement them could be settled through consultations, he added.

"The Chinese side is sincere in this," Qian said.

#### **Lu Ping Hopeful for Progress in PRC-UK Talks**

*HK2105070693 Hong Kong WEN WEI PO in Chinese 21 May 93 p 2*

[Dispatch from Beijing by trainee reporter Li Hsiao-ping (2621 4562 0393): "Lu Ping Stresses Issue of Through Train Must Not Become Obstacle to Sino-British Talks Because There Have Been Relevant Stipulations"]

[Text] Beijing, 20 May (WEN WEI PO)—When meeting the visiting delegation of Hong Kong District Board Members at noon today, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, expressed his "total agreement" with the guests' viewpoint that the issue of "through train" should not constitute an obstacle to the ongoing talks. He reiterated that the Chinese side is sincere about the talks. Lu Ping hoped that on the basis of the "three conformities," progress would be made in the third round of the Sino-British talks and, as more and more progress will be achieved each round, the issues will be resolved at an early date.

When asked by reporters before the meeting on his expectations of the current talks, Lu Ping said: China's stand is consistent. That is, it is necessary to abide by the Joint Sino-British Declaration, to converge with the Basic Law, and to adhere to the understanding and agreements already reached between China and the UK on which talks must be based if there are going to be any talks at all. He hoped that certain progress would be made in the third round of talks, and that greater

progress would be achieved in later rounds than in previous rounds, to have an early settlement of the issues. When asked by a reporter whether or not the "through train" issue will come up at the talks, Lu Ping answered: With regard to the election of the first Hong Kong Special Administrative Region Government and the first Legislative Council, there are definite provisions in the decision adopted by the Third Session of the Seventh National People's Congress [NPC]. He stressed that it was a resolution adopted by the NPC, thus it has legal effect and cannot be amended, not even by a word. He feels that nothing remains to be discussed in this respect and the talks must be conducted in line with the provisions of the Basic Law if there are going to be any talks at all. When asked if there is any change in China's stand on the political system, Lu Ping said China would never change its stand on the political system in Hong Kong.

#### **PRC-UK Talks on Hong Kong Resume in Beijing**

*HK2105033093 Hong Kong AFP in English 0259 GMT 21 May 93*

[Text] Beijing, May 21 (AFP)—Britain and China opened a third round of talks over Hong Kong electoral reform here Friday [21 May]. The three-day talks are to be presided over by Britain's ambassador to China, Sir Robin McLaren, and Chinese Vice Foreign Minister Jiang Enzhu, who are to meet behind closed doors at the Diaoyutai State Guesthouse.

Since negotiations resumed in late April after a bitter six-month feud, no signs of progress have emerged. Hong Kong Governor Chris Patten sparked off a row with Beijing in October when he unveiled a plan that would widen democratic representation before the British colony reverts to China in 1997. The blueprint would extend the voting franchise for 1994 district board elections and for 1995 legislative elections, but Beijing says this violates previous agreements on the run-up to Hong Kong's handover. Patten has delayed submitting his plan to Hong Kong's Legislative Council to allow a chance for the talks to reach a compromise.

#### **Negotiators Comment Before Talks**

*OW2105040693 Beijing XINHUA in English 0347 GMT 21 May 93*

[Text] Beijing, May 21 (XINHUA)—Government representatives of China and Britain today began their third round talks in Beijing on the arrangement for the 1994/1995 elections in Hong Kong.

Chinese Vice-Minister of Foreign Affairs Jiang Enzhu and British Ambassador to China Sir Robin McLaren represent their respective governments at the talks.

Answering a question on whether there is a hope for the talks in a five-minute interview with journalists before the talks started, Jiang said the two sides are working very hard and the talks are proceeding in a normal way.

He said the Chinese side will take a positive attitude towards the talks, adding: "We believe that the talks will continuously achieve progress so long as the two sides abide by the relevant principles reached by the two countries."

McLaren said he too will approach the talks "in a positive and constructive spirit."

"We hope we will be able to make progress in this current round," he added.

The third round talks will last three days. The previous two rounds were held here in the latter part of last month.

### Third Round Begins

OW2105071793 Beijing XINHUA Domestic Service in Chinese 0458 GMT 21 May 93

[By reporter Feng Xiuju (7458 4423 5468)]

[Text] Beijing, 21 May (XINHUA)—Jiang Enzhu, Chinese Government representative and vice minister of foreign affairs, and Sir Robin McLaren, British Government representative and ambassador to China, began their third round talks here this morning on the arrangements for the 1994-1995 elections in Hong Kong.

The talks were held in Building No. 10 of the Diaoyutai State Guesthouse. Five minutes before the talks began, Jiang Enzhu and McLaren were interviewed by reporters. In answering a question on hopes for the talks, Jiang Enzhu, who accompanied Vice Premier Qian Qichen on a recent European trip and returned home only last Friday [14 May], said: "The two sides are working very hard and the talks are proceeding normally. The Chinese side will take a positive attitude toward the talks. We believe the talks will continue to achieve progress so long as the two sides abide by the relevant principles agreed by the two countries."

McLaren said he, too, would approach the talks in a positive and constructive spirit. He hoped that progress would be made in the talks.

The third round of Sino-British talks on the issue of Hong Kong is due to last three days. The previous two rounds were held at the same venue in the latter part of last month.

### PRC, UK 'Consensus' on Pay TV, Contracts

OW2105084893 Beijing XINHUA in English 0834 GMT 21 May 93

[Text] Hong Kong, May 21 (XINHUA)—China and Britain, through discussions and negotiations, had recently reached consensus on three issues—licensing pay TV, contract for west New Territory landfill and renewal of the "scheme of control" for the Hong Kong Electric Company.

An official in charge of the office of the Chinese representative of the Joint Liaison group told reporters "no matter what the problem is, as long as it helps the long term prosperity and stability of Hong Kong and smooth transfer of sovereignty in 1997, the Chinese side will adopt a positive attitude to solve it."

"The Chinese Government has all along been concerned about the people's livelihood and economic development in Hong Kong," the official said.

According to the Sino-British Joint Declaration, the British administration in Hong Kong will terminate on June 30, 1997. Therefore, except for land leases stipulated in the joint declaration, all contracts, leases and agreements signed or approved by the Hong Kong British Government will only be valid until June 30, 1997.

"To guarantee a smooth transition, the Chinese side has indicated many times that contracts, leases and agreements straddling 1997 must be negotiated through the Sino-British Joint Liaison Group," he said.

As 1997 is getting near, the official said, the British side should adopt a cooperative attitude and both sides should try their best to settle all these complicated issues.

### Officials Comment on Deals

HK2105054093 Hong Kong SOUTH CHINA MORNING POST in English 21 May 93 pp 1, 7

[By Fanny Wong]

[Text] China yesterday endorsed the launch of Hong Kong's long-awaited cable television network in a move seen as a "pleasant surprise" on the eve of Sino-British talks on the territory's political future. The pay-TV licence, which gives successful bidder Wharf Cable a 12-year franchise, was one of a number of contracts straddling 1997 that China had insisted needed its backing. Also given the go-ahead by the Chinese team in the Joint Liaison Group (JLG) yesterday were the scheme of control agreement for Hong Kong Electric and the New Territories West landfill contract, which is due to be awarded in the next few days.

The warm message on the endorsement of the projects was delivered by JLG team leader Mr Luo Jiahuan to his British counterpart, Mr Alan Paul, at their weekly meeting.

Having already spent \$600 million on the project, Wharf Cable is scheduled to launch its trial run in Sha Tin and Tsuen Wan in July and the territory-wide service is planned to be in full operation in October. The company expects two million homes to have pay-TV within two years.

An official in the Chinese JLG office said China had been concerned about Hong Kong people's livelihood and the territory's economic developments all along. "Regardless of what issues, as long as they are conducive

to Hong Kong's long-term stability and prosperity as well as the smooth transfer of sovereignty in 1997, the Chinese side will take a positive attitude in resolving the problems," the official said in a China News Service report.

The endorsements follow on from the first major indication of conciliation earlier this month when the Chinese side of the Sino-British Land Commission approved the 1993-94 land disposal programme, even though the controversial Container Terminal 9 (CT9) project was separated from it for further consideration.

Beijing's willingness to at least reach some deals with Britain is a major departure from the hostile attitude Chinese officials had adopted after the Governor, Mr Chris Patten, unveiled his constitutional reform package last October. Experts from the two sides of the JLG met separately yesterday to discuss post-1997 extradition arrangements and mutual legal assistance for criminal affairs. The first expert meeting since December was reported to have ended with some progress made.

Commenting on yesterday's agreements, a vice-director of the local branch of the New China News Agency (NCNA), Mr Zhang Junsheng, said China would adopt a reasonable attitude towards anything conducive to Hong Kong's economic prosperity and a smooth transition. The British Foreign Office's spokesman in Hong Kong, Mr Chris Osborne, described the endorsement of the cable TV licence, Hong Kong Electric arrangements and the urgently needed landfill project as a "pleasant surprise". "Things are gradually easing off," said Mr Osborne. However, he said there was still no date for holding the next JLG plenary meeting.

Wharf Cable's deputy chairman and managing director, Mr Stephen Ng Tin-hoi, said he was pleased a deal had been reached. "The company will discuss the details for the award of licence with the Recreation and Culture Branch," he said. "In the meantime, implementation activities of Wharf Cable continue.

"Our target is to launch in October this year to fulfil our promise to the people of Hong Kong." [sentence as published]

A Hong Kong Electric spokesman also welcomed the deal, adding that the Government had agreed in principle to extend the scheme of control agreement by 15 years. The renewed scheme of control will start on January 1 and run until 2009. The existing scheme guarantees Hong Kong Electric a return of a fixed percentage of the value of its average nett fixed assets.

It is understood that before yesterday's meeting, the British side had received no concrete signal from the Chinese on these measures. Information briefs and presentations on the pay-TV and Hong Kong Electric projects are understood to have been given to the Chinese team last year.

Documents relating to the landfill contract were passed on to it early this year. The landfill is one of three new strategic sites to be built over the next few years to replace ones currently in use at Tseung Kwan O, Shuen Wan and Pillar Point. The site has a capacity of 58 million cubic metres and is expected to operate for about 25 years. The Swire group is tipped to be the contractor for the project.

Sources said the three projects were the most urgent ones being delayed. Equally urgent is the CT9 project, which was not touched on at yesterday's meeting. The Chinese JLG official reiterated that China's stance on contracts, leases and agreements beyond 1997 was clear.

Under the Sino-British Joint Declaration, Britain's administrative power over Hong Kong would terminate on June 30, 1997, he said. Except for land leases whose validity was already stipulated under Annex 3 of the Joint Declaration, all other contracts, leases and agreements signed and ratified by the Hong Kong administration will only be valid until June 30, 1997. "To ensure Hong Kong's smooth transition, the Chinese side has said many times that all contracts, leases and agreements straddling 1997 should be discussed in the Joint Liaison Group," the official said.

#### Editorial on 'Internationalization' of Hong Kong

HK2105050893 Hong Kong WEN WEI PO in Chinese  
21 May 93 p 2

[Editorial: "Internationalization Attempt Can Never Succeed"]

[Text] In order to create ground for him to play the "international card" on the Hong Kong question, Patten went so far as to call Hong Kong an "international asset." However, Hong Kong has always been Chinese territory, which will be returned to China in 1997, and is not a so-called "international asset." Patten's argument of this kind can only let people see more clearly his attempt to internationalize the Hong Kong question.

Certainly, Hong Kong is a metropolis where international investors rendezvous, but this does not lead to the conclusion that Hong Kong is an "international asset" or that international forces can interfere in Hong Kong's internal affairs. Hong Kong is an international city. This means that it has close economic and cultural ties with other places in the world and that it is an international financial and trading center and a bridge promoting international trade. But this does not mean Hong Kong is an "international asset" which can be shared by other countries, who can give instructions concerning Hong Kong's internal affairs and can practice "joint international administration." Hong Kong is an international city but not an "international asset," just like London, New York, and Tokyo, which are international cities but not "international assets."

Like any other place in China, Hong Kong is an asset to the Chinese people. The fact that Hong Kong is an



international city will not in any way change this point, which was confirmed by the Sino-British Joint Declaration a long time ago. No independent and sovereign country will allow any attempt to call one of its places an "international asset" and to let other countries become involved in its internal affairs. Like the United States and the UK, which will not allow New York and London to be viewed as "international assets" under "joint international administration," China will never allow someone to turn Hong Kong into an "international asset" and internationalize the Hong Kong question.

At the same time when Patten said publicly that Hong Kong is an "international asset," someone used the excuse that the Joint Declaration was registered with the UN Secretariat, to boost the attempt of the British to internationalize the Hong Kong question. In fact, the registration of the Joint Declaration with the UN only indicates that China and the UK were performing their obligations as members of the UN. But implementation of the treaty and agreement is a matter between signatories, a matter which must not be intervened in by other countries and a matter which cannot constitute a reason for internationalization.

The most important thing that the "UN Charter" demands that the United Nations and UN members observe is the "principle of equality and sovereignty among members." Article 2 (7) of the "UN Charter" clearly stipulates: "This charter is not to be viewed as authorizing UN intervention in affairs which by nature belong to the internal domain of any country and it does not require the member country to raise the case for a solution according to this charter." According to the Sino-British Joint Declaration, the Hong Kong question is a matter between China and the UK until 1997 and, after 1997, Hong Kong becomes a special administrative region of the PRC and Hong Kong affairs belong purely to China's internal affairs. No country, if it handles things in accordance with the "UN Charter," can interfere in Hong Kong's internal affairs; nor can it think internationalization of the Hong Kong question is reasonable.

The UK has persistently exercised tight control of Hong Kong since it took over rule and has never allowed other countries to get involved politically. Once upon a time, some Americans came to Hong Kong to engage in political activities but they were deported as *persona non grata*. Now, when China and the UK have signed the Joint Declaration and Hong Kong will soon return to China in 1997, the British Government suddenly changes the usual way of doing things and strives to internationalize the Hong Kong question, roping in other countries to intervene in Hong Kong affairs. Since announcing his political reform package, Patten has been playing the "international card" enthusiastically. The British side's purpose in doing all this is to hinder the smooth process of China's resumption of sovereignty over Hong Kong, to facilitate the extension of British colonial rule over Hong Kong beyond 1997.

Patten says Hong Kong, which is a part of China, is an "international asset." This is a great humiliation to the Chinese people and brings back the memory of the tragic history of China's partition by stronger powers. In the past, when various strong powers invaded China, they viewed China as thick meat which could be cut at will and they wanted the "participation of interests" and established spheres of influence. Patten's rhetoric is very similar to this.

But the broad masses of Hong Kong compatriots will never allow this kind of tragic history to happen again. Hong Kong's success rests on its wholehearted efforts in economic development. Thus, any action which internationalizes the Hong Kong question and turns Hong Kong into a place of struggle among international political forces can only bring disturbance and disaster to Hong Kong. No matter what phrases Patten coins or what tricks he employs to internationalize the Hong Kong question, he is doomed to failure.

#### PRC Says SAR Must Vet Lawmakers After 1997

HK2105054493 Hong Kong SOUTH CHINA  
MORNING POST in English 21 May 93 pp 1, 2

[By SOUTH CHINA MORNING POST Political Desk]

[Text] China yesterday toughened its position on the controversy over which legislators could serve beyond 1997 by reaffirming that the Special Administration Region (SAR) Preparatory Committee must have power to vet them. The top Chinese official on Hong Kong matters said that the so-called "through train" for legislators to straddle the change-over should not even come up at Sino-British talks on the 1994-95 electoral arrangements, when they reopen in Beijing today.

Nor should it become an obstacle to those talks, said Mr Lu Ping, Director of the State Council's Hong Kong and Macao Affairs Office (HKMAO). The message was conveyed to 29 members of Hong Kong's district boards, whose elections are a key factor in the Patten electoral reform package.

Mr Lu was quoted by Mr Wong Chi-Keung, head of the delegation, as saying that the National People's Congress (NPC) had authorised neither the HKMAO nor the Foreign Ministry to determine which legislators would be allowed to sit on the through train. "The NPC only authorises the SAR Preparatory Committee, which would not be set up until 1996, to screen legislators and determine whether they can straddle 1997," Mr Lu said.

"The HKMAO and the Foreign Ministry have no power to pre-empt the decision of the SAR Preparatory Committee at the moment," he added. He criticised Britain for raising the issue again. London had shown consent to the relevant provisions on the through train during the Basic Law drafting, he said.

Chief British negotiator and British Ambassador to Beijing, Sir Robin McLaren, stressed, however, that the

through train issue was important. Sir Robin indicated that Governor Mr Chris Patten's political proposals were still on the negotiating table. "We've withdrawn nothing," he said. "We have our agenda for the talks which is described in the communique issued by both sides. We stick to that agenda."

"Our object is to reach agreement if we can on practical arrangements for the 1994/95 elections." Sir Robin had a 90-minute discussion with Exco [Executive Council] members before flying back to Beijing yesterday. He described the meeting as helpful and a "thorough review of where we stand and where we're expecting to go".

Senior Executive Councillor Lady Dunn said the aim of the talks was to map out electoral arrangements which would be agreed upon by both the present and future administrations and which would go beyond 1997. She said it would be more important to reach agreements at present than to impose arbitrary deadlines.

Mr Lu hoped that this round of talks would achieve progress and yield positive results. He declined to say whether there would be a fourth or fifth round of talks. Chinese sources said it would be difficult for the third round of talks to include discussions on concrete matters if the British side insisted on the Patten package at its opening position.

The source said Beijing would also turn down British proposals to discuss specific criteria for the SAR Preparatory Committee to vet legislators. China insisted the two sides had to reach a common consensus on understanding the three accords—the Joint Declaration, the Basic Law and past understandings, before Beijing would put forward its own proposals on electoral arrangements, the source said.

In Beijing, Foreign Ministry spokesman Mr Wu Jianmin denied allegations that China was deliberately stalling the talks until the result of the debate in the U.S. Congress on China's Most Favoured Nation (MFN) trade status had been settled. Hong Kong and MFN were two separate issues, he said. The Foreign Ministry spokesman also dismissed Lady Thatcher's argument that, because the Sino-British Joint Declaration had been registered at the United Nations, the political future of Hong Kong was a legitimate subject for international debate.

#### **Government Issues Release on Mainland Overflights**

OW2005212493 Beijing XINHUA in English 1522  
GMT 20 May 93

[Text] Hong Kong, May 20 (XINHUA)—Hong Kong's flight movements requiring passage through the airspace over the Chinese mainland will soon benefit substantially from a change in flight level assignment in the mainland from mid-October this year.

The Civil Aviation Administration of China (CAAC) has announced that the system of allocating flight level within the Chinese airspace will be changed beginning at 16:00 hours coordinated universal time, October 14 (Hong Kong time midnight, October 15).

The change will greatly enhance total traffic handling capacity in the Chinese airspace. Potentially 50 percent more flights can be accommodated.

The Hong Kong Government said in a news release today that the movements of air traffic between Hong Kong and the Chinese Mainland will benefit substantially from this first phase in the adoption of international standards.

The government news release noted that Hong Kong is experiencing a rapid growth in the number of flights including the phenomenal growth in traffic between Hong Kong and the mainland.

The director of civil aviation Peter Lok Kung-nam and the air traffic general manager Albert Lam Kwong-yu attended a briefing in Beijing on the new flight level assignment system between May 18 and 20.

Also attending the briefing were representatives from Japan, Kazakstan, Democratic People's Republic of Korea, Mongolia, Myanmar, Pakistan, Russian Federation and Vietnam.

During the visit Lam and the representative of Guangzhou air control center Wang liya concluded the required amendments to the letter of agreement between the Hong Kong and Guangzhou air traffic control centers regarding air traffic control coordination procedures.

At present, there are about 600 flights a week serving between Hong Kong international airport and airports in the Chinese Mainland, representing about one quarter of Hong Kong's weekly flight movements.

Air traffic movements between Hong Kong and European airports and between Hong Kong and other airports such as those located in Middle East, India and the Republic of Korea which require passage through Chinese airspace total about 250 flights a week.

In addition, flights overflying both the airspace over the Chinese Mainland and Hong Kong without landing at either territory average about 110 movements a week.

#### **Deng Xiaoping's Son Visits To Promote Project**

HK2105042593 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English 21  
May 93 p 1

[Report by Christine Chan]

[Text] Tycoon Li Ka-shing yesterday foreshadowed a closer relationship with the younger son of Chinese patriarch Deng Xiaoping. Mr Deng Zhifang was in Hong Kong yesterday, promoting a property project run by the

state enterprise he spearheads. "I am involved with Deng's son and will be involved in more partnerships with him," Mr Li told the annual general meeting of Hutchison Whampoa, of which he is chairman.

Mr Li said he and the younger Deng were involved in a property project and in the back-door listing of China assets using Kader Investment. He did not specify areas in which they might work together in the future. Mr Deng, chairman of Shanghai Grand Development Co, is to steer that firm's expansion in Hong Kong after its involvement in the \$528.5 million swoop on Kadar Investment earlier this week.

The move on Kader—the subject of a row over a Thai factory fire in which some 188 workers were killed—also involves Shougang Holdings (Hong Kong), Mr Li's Cheung Kong Holdings, (CEF Holdings) and others. Mr Deng delivered a short speech yesterday at a press conference about the sale of the firm's Shanghai Xijiao Garden Villas.

Mr Zhou Zhaoxi, vice-president of Shanghai Grand Development, said the firm would link with Hong Kong companies to invest in both China and Hong Kong in the future. "Economic development in China will require help and support from abroad and Hong Kong," Mr Zhou said. He said the enterprise had no plan to set up a company with Cheung Kong, although he did not rule out such a joint venture in the future. The company already has joint-venture property projects with Hutchison Whampoa in Shanghai and Qingdao.

Mr Zhou said Hutchison and Shanghai Grand Development had signed a letter of intent for a commercial and residential development in Shanghai, which would require an investment of "hundreds of millions" of yuan. The site area was more than 10,000 square metres.

Founded in October 1991, Shanghai Grand Development has an issued share capital of 25 million yuan (about \$33.9 million at official rates). State enterprises in Wuhan, Tianjin and Zhuhai each have a 20 percent

stake. The remaining stakes are held by two subsidiaries of the Shanghai municipal government.

## Macao

### Macao Governor Addresses Symposium in Portugal

OW2105041793 Beijing XINHUA in English 0351  
GMT 21 May 93

[Text] Porto, Portugal, May 20 (XINHUA)—The devolvement of Macao's sovereignty from Portugal to China would and should further strengthen the good relationship between the two countries, its governor, General Rocha Vieira, said here today.

Speaking at a symposium held as part of "The Week of Macao" in this northern Portuguese city, General Vieira said no doubts should be attached to the validity and overall application of the political agreements which have been pinpointed by the two governments to ensure a smooth transition.

He believed, the capital construction and economic development in Macao would be complementary to the economy of an open China, especially in its southern areas.

Valente de Oliveira, Portuguese planning and territorial administration minister, highlighted the significance of China and Portugal's recent agreements on technological cooperation, which he believed had great potential.

Yao Dinghai, deputy director of the planning committee of Guangdong Province, briefed Portuguese entrepreneurs on the current economic development and blueprints for the southern Chinese province. He expected to further broaden economic cooperation with Portugal.

Over 200 entrepreneurs from both the mainland, northern Portugal and Hong Kong and Macao attended the symposium which ends tomorrow.

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